

[Transcript] The Diary Of A CEO with Steven Bartlett / E235: The Man That Makes Millionaires: How To Turn \$1,000 Into \$100 Million!: Alex Hormozi

I'm going to say some stuff that's going to bother some people, people who are listening to this and are not making as much money as they want.

They have to...

Mr. Alex Ramosy.

A hundred million dollar man, entrepreneur, investor and philanthropist.

Taking the internet by storm.

This guy really, really does understand how to build a business.

I was 22.

I had done everything that my dad had wanted me to do and I was looking out from the condo that I had been able to buy with this job that I had and I always hoped I wouldn't wake up the next day.

I cherish the fact that it was so miserable that it got me to change.

Everything motivates significantly faster and stronger than pleasure does.

If you are angry, use it.

If you are sad, use it.

Or it uses you.

I didn't know whether I would succeed, but I did know I wasn't going to stop.

Right around that point is when I met my wife and then she just changed my life.

How did she change you?

Like...

Didn't think we were going to go here.

She just, she believed in me.

She stood tall when everything in my life was crumbling around me.

I was like dead broke in her parents' house and I was like, I think you should leave me.

She pulled my chin towards her and she was like, I would sleep with you under a bridge if I came to that.

Six months later, I have \$3 million in the bank account.

All of that was the first nine months of our relationship for her to have that kind of belief was very, it was deep for me.

And I think that's what most guys want, truly.

What makes a really good entrepreneur slash leader?

I'll enter this differently than I have in the past and I'm going to tell a story that hopefully people don't take the wrong way.

But I had a cat.

Before we get into this episode, just wanted to say thank you first and foremost for being part of this community.

The team here at the Diverseo is now almost 30 people and that's literally because you watch and you subscribe and you leave comments and you like the videos that this show has been able to grow.

And it's the greatest honour of my life to sit here with these incredible people and just selfishly ask them questions that I'm pondering over or worrying about in my life.

But this is just the beginning for the Diverseo.

We've got big, big plans to scale this show to every corner of the world and to diversify

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our guest selection.

And that's enabled by you, by a simple thing that you guys do, which is to watch.

So if you enjoy this show, I have one simple favour to ask you, which is could you hit the follow button on Spotify or Apple or wherever you listen to this podcast.

I spend several hours consuming all of your content across multiple channels.

What is the aim?

What is the mission?

What is the intent if you were to try and summarise the content you're producing and the value you're trying to add and to who are you trying to add it to?

To make business accessible for everyone.

That was the mission of the company.

And so our whole idea was we'll put everything out there for free.

So no paywalls.

So there's like we have courses on the site, the books I have for 99 cents so that anyone can get them and continue to produce as much as we can.

And we share the learnings that we have from our portfolio companies in order to keep the stuff that we are putting out there relevant, new, fresh cutting edge because this is what's working today.

And by doing that, it also brings other companies to us because they get value from the stuff and our goal is always to hopefully provide more value to a company before they've ever spoken to us.

Like kind of pay for ourselves in advance is kind of like the thought process, even though we're buying it.

And that was kind of the thesis when we started it.

I didn't know if it was going to work, but it seems to have gone pretty well.

And it was just kind of just like if we just give and keep giving and keep giving, we just focus on the value and delivering to the audience, it'll come back eventually.

What are you giving them and who are you giving it to?

Entrepreneurs at all stages.

We've surveyed the audience.

And 25% of the audience has a business, 75% does not have a business, but wants to start a business.

And so that's just kind of overall.

And then within that 25%, it just kind of categories all the way up to, you know, business is doing 100 million plus a year.

And so it's everyone.

And so we try and are one of the things that we talk about is like going wide and deep is like, how can we figure something that is relevant to somebody who's, you know, launching their first product and also make it accessible or interesting to somebody who's launching a new product line within a division of their conglomerate.

Right.

And just trying to think about both people at the same time, which becomes more challenging, but it's also kind of fun.

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Kind of like a funnel, isn't it, in some respects?

That's exactly what I saw from your content.

You're making great content that's helping people that are at the start of their journey or, you know, 100 employees deep into their journey, trying to figure out how to scale.

You're making content that's bringing down some of the barriers, whether psychological or practical, to enable them to reach whatever dream they have.

Let's go way upstream then.

What do I need to know about you to understand the life you've led?

Take me way back to your childhood in the early context.

Both parents are immigrants to the U.S.

Mother was born in France, came here, but father was born in Iran.

They met in medical school in Europe.

And then my mother brought him back with her to the U.S.

And then they had me and they split.

My mom had a lot of demons.

She had a lot of things she struggled with when I was coming up, so I pretty much was raised by my dad.

I had no siblings.

It was just me and my dad until I was about 15.

He got remarried.

It was a short stint in terms of how long I was like kind of in the house, you know, like right at that stage is when you can drive and I was kind of on my own almost at that point.

As soon as I could work and drive, I was kind of out of the house.

And then from there, did the thing that most people tried to do, which is I worked hard at school mostly because I just didn't want my dad to be upset with me, which was the main driver for most of my achievement of my career for the first half was all just trying to gain his approval.

Did all the things that I thought he would want me to.

Got a job at a government contracting consulting firm, a defense contracting is space cyber and ISR.

So it's intelligence, surveillance and reconnaissance for the military sounded really cool, was less cool when you were in it.

And I was very, very sad at that point in my life.

And so it was very much like I didn't, I always hoped I wouldn't wake up the next day.

And it was truly, you really mean that 100% 100% because I remember when I was looking at a lot of people have like rock top moments, sorry, rock bottom moments.

I think I had more very rock top moment, which was I was 22.

I had done everything that my dad had wanted me to do at this point.

I was looking out from the condo that I had been able to buy with this job that I had.

And I was like, is this it?

In the whole time, I just really didn't enjoy my life.

And it was just, you know, not wanting to wake up.

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And it was the decision to leave Baltimore, which is where I was from, to quit that path, to decide to start a business of my own, was still, to this day, the hardest thing I've ever done.

By far, all the things we've been through to build what we have, the hardest decision was taking the leap for me.

And it was because like I knew that my dad so much wanted me to do what I was doing because he was so happy that I was doing everything he wanted me to do at that point.

And I had told him over and over again that I wanted to do this other stuff.

And he's like, yeah, later, you know, later.

And so I knew that it would probably put a big dent in our relationship if I left.

But for me, it was actually confronting the fact that I didn't want to be alive anymore, which was the thing that gave me enough courage, or what do you want to call it, to actually make the decision to leave home.

And so I started driving across the country, I mean, it took me six months to do this.

Like when I between when I decided I really wanted to do this, and when I actually did it, it took me six months, and I called him when I was like halfway across the United States.

And I was like, I'm going to California, I'm gonna open a gym, I'm gonna get into fitness.

And he was like, why are you so extreme?

And you like lost it.

And then we didn't really talk much for a long time.

When you started realizing that your life was one where you didn't want to wake up in the morning, when you had that job in management consultancy, did you experience suicidal ideation?

Is that what you're saying?

When you say I don't want to, I didn't want to wake up into my life every day.

It was never like, I've never had a like, this is how I'd kill myself.

Nope.

Never had that.

I just always like the idea that I could not wake up the next day sounded good.

When you look back in hindsight from that moment backwards, what are the series of decisions or the things that led you to find yourself in that position?

And I asked that because there's a lot of people that can probably relate.

And there's probably quite a consistent set of frog pads or stones that one has walking down for whatever reason that leads you to a position where you go, what the fuck whose life is this?

I think the like, the one line summary for me was that like, I felt like I had to let my dad's dream die for mine to live.

And I felt like my entire life, it had always up to that point had been like go to the school to these studies.

I mean, it's a common thing like it's not like I had something that a lot of people don't have many people.

And to be fair, I'm very grateful for the skills, discipline, etc. that that instilled in me.

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Because I think you, you have the hard hand of an authoritarian parent when you're growing up and it teaches you a lot of skills.

And then, you know, the flip side is if you have a very less affair parent, like you never learn those skills, which then benefit you later.

So, you know, who knows.

But for me, I knew that he just wanted me to be a doctor.

That's what he was.

That would have been his dream.

I went to school as pre-med.

And then I, it was like even changing my degree from pre-med to just a business degree was like a huge deal.

But he was okay with that as long as I followed like the business path.

And so when I did my two years of consulting, which is kind of the typical like two to four years you do consulting, and then you apply to go to business school.

When I was going through that process, I was answering the question for like the Harvard MBA and it was like, how will Harvard MBA help your short and long term goals?

And I sat there for like two days trying to answer the question and I was like, it just isn't.

I want to start a business.

And so that was when I kept trying to, you know, start that conversation with my dad and it just wasn't really happening.

And so that's what, that was kind of the breaking point for me was I just felt terrible about my life and I just didn't like the way it was going.

For me, it was such a key point because the biggest line of reasoning I had for myself in order to convince myself to confront my father or at least disappoint my father or the version of myself that he wanted me to be was to say that like, I have to be comfortable dying in his eyes.

And a lot of people like, and many people might think that was hyperbole, but for me, it was very true.

Like I knew that I would die in his eyes and I did to give you context.

So I had the gyms and I opened up multiple after that, got to about six locations, sold those, started a gym turnaround business, did that for two years.

All the while, we weren't really, you know, we were like, okay, in touch.

And then we started the licensing business, which is gym launch.

And that's the one that like really took off.

And we hadn't been super in touch and I got a call out of the blue and he wasn't like a cold call.

You know what I mean?

I was like, this is weird.

So I pick up the phone and he's like, you're going to want to sit down for this.

And I was like, okay, what's up?

I was thinking like cancer, you know, I mean, I'm just like, what is it going to be?

He was like, I'm sorry.

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And I was like, for what?

He was like, you know, everything.

And I was like, okay.

And I was very angry still because, and this is what I told him.

So I was like, he's like, you know, that point when people like get on stage and they accept the awards and mind you at this point, I think we're probably taking home one and a half million a month.

You know what I mean?

And take home like personal income from the license.

So there's a decent side, like is it, I'm not, you know, conglomerate, like probably, but it's a decent sized business.

And I was like, you know, when people get on stage and they accept the words or things, I was like, the first thing they always say is like, hey, I just want to thank my mom and dad for always believing in me.

And I was like, I'm not going to say that.

I was like, because you didn't.

I was like, you're only saying this now once everyone believed because it's not belief anymore. It's fact.

It's evidence.

I was like, so you're I was like, this apology means nothing to me.

And besides that, I stopped caring what you thought six years ago, which is why I left.

And so I had like that's, like I, I could have just accepted it and I didn't do that.

How'd you feel about that?

I probably like today I probably would have said thanks.

I appreciate it.

I know where he was trying.

He was trying to extend an olive branch and I just wasn't there.

I was still seizing.

I was still very angry that I had not gotten any support during that process.

And maybe that was very woe is me, but I was still very angry at that point.

And you know, to give also a little bit of context, you know, his response to that was like, well, we'll see how long it lasts.

You're joking.

No.

So like my father and I, like he is a very strong personality and so do I.

And we both think we're right.

Are you angry about it now?

Honestly?

No.

I mean, like I think I can still feel the emotions, but I feel like I've, you know, thought about it enough to say that I can logically say, I think he absolutely did the best he could with what he had as a single dad, another country, raising a kid, trying to get that kid to fit in and do the things that like one of the things that I think my dad always

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wanted me to be able to do is like, cause he's darker skin than I am.

He's Middle Eastern.

He always wanted me to like have access to like the back rooms where like deals were made that he felt like he wasn't a part of.

And so he just wanted me to have that.

And so I think he just drove me as much as he could to, to get that.

It's just like when you're on the other side of it, like all you feel is never succeeding, but I can appreciate it now in retrospect.

But it definitely was still, it hardened me a lot.

But that hardness, I think has, has benefited me a lot in business.

I had someone on the podcast say a quote, which I've never managed to forget.

They said, you've got to realize that everybody you encounter, everybody that does you wrong, if you were them and you'd been through what they've been through and you had their brain, you'd be doing the exact same thing.

And it sounds, it's obvious on one hand, but it's also very kind of illuminating that think about the person that's wrong you the most.

If you've been through their shoes and you had their genetics, you'd be doing the exact same thing.

It doesn't mean you have to let them off, but at least it invokes some empathy.

If you're, you cannot both hate and understand someone at the same time.

True.

Like, if you truly understand someone, then you can't hate them because you understand why.

Like a lot of times that hate is from the unknown and not, like, because you hate, because, I mean, you almost say, you're like, how could, like, it's, it's literally a statement of not understanding.

Like, how could you, if you understood, then you would know how.

And that resentment is a byproduct of just not understanding as well as just thinking about resentment that I've had in my life when I think someone's wrong me, that sense of injustice.

You're right.

How could, yeah.

How dare you?

Did you ever manage to get your fuel to burn less dirty?

Are you burning less dirty now?

Yeah, I think so.

You think so?

Yeah, I think so.

I, my, my team tells me that that's true.

And if you look at, like, because I do have some older videos that I made from, like, you know, years ago, and there's definitely a different vibe.

I'm, I'm significantly friendlier than I was then.

I mean, even the way I interacted with customers and, you know, the team was, like, purely

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fear driven.

Like, I was absolutely, because I didn't understand influence as well yet.

So only, only the stick I had was like, if I, if people are afraid of me, then they will immediately comply.

And it's effective for short durations, but not for long durations.

And so, but I didn't know any better at the time.

And then I slowly, that's when I, you know, right around that point is when I met my wife and then she just, you know, changed my life.

And she started running all the businesses and I'd see her and everyone loved her.

And I was like, man, I should do more of that stuff and less of my stuff.

She changed your life.

Oh, yeah.

For sure.

Far none.

I mean, she's like the best.

How did she change you?

She has brought out the absolute best in me.

Like in, in just about every way.

Like didn't think we're going to go here.

She just, she believed it.

And I think that's what most guys will, true, at least for me, that's what I want.

That's what we're needed.

I'll tell you a story to illustrate it.

So we met, talked for four hours in the first date, only about business.

Cause that's all I wanted to talk about.

And I pitched her on working for me.

I was like, quit your job, work for me.

And she was like, I just made you logically make sense.

She was a personal trainer.

I had a bunch of gyms and I was like, if you're this good, you should totally work for me.

She was like, well, let's, you know, let's see how this goes.

And so I had this idea for the turnaround business and it was right as I had five, five locations at that point and I wanted to try this thing out.

So I flew out, did three turnarounds, flew back and they started working.

And then I sold all my gyms because it was like, okay, this, this makes even more money.

I took all the money and put it into this gym that one of the guys I was doing a turnaround with was like, dude, you just crushed this.

Like I'm a really good operator instead of turning his gyms around and walking away with just the money.

He's like, you should just keep owning them and I'll just fill up, fill them up behind you.

So I could, I could launch one, two, three gyms a month and then own them all.

He's like, you're leaving so much money on the table.

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I was like, okay, so we did this first launch.

I put all the money in.

He was like, of course he had financial difficulties and I had to personally guarantee the least normal stuff.

And so I crushed this launch and then I wake up one morning and check the bank account and it's completely empty.

And I was like, what's happening?

So I called him up and he was like, well, I know you're, you're skimming from the business.

And I was like, what?

He's like, I know you're, I know you're, you're skimming.

I was like, we just, what?

No.

Um, he's like, well, that was my half.

Uh, and so I was like, what is happening?

So I printed all the bank, the bank statements.

I went line by line and I was like, let me, I'll walk you through all the bank statements.

Let's just, let's get to the bottom of this.

I remember we sat at the meeting and he was like, I don't need to see that.

He pushed it off the table.

And I was like, oh, okay.

I immediately was like, oh, he, I just got fucked.

And he'd already been indicted for fraud.

Um, and I knew this, getting into business with him and he was just a big misunderstanding.

And you know, the saying goes like, uh, when experience meets money, money gets the experience and spirits gets money, um, very much live that.

And so after I had all my gyms, I sold them, put all the money in this thing and then they all got taken.

Um, and so I had nothing and, um, lay this with me at this point for this, like this exciting period.

So I was like, okay, she was like, Hey, you know, maybe we should keep doing these turn arounds instead of this weird launch and go thing you side, sideline for.

I was like, okay, we'll do that.

And so I was going to launch a gym the next month.

Um, and there was a guy who was local to that gym.

And since I was refocusing, I was like, all right, I'm going to build all the infrastructure.

I'll send this sales guy out to do this thing.

And uh, he crushed the launch did like 120,000, which for us was a big launch, um, in like three days in three weeks.

And so now I'm at Layla's parents' house because, uh, like you don't really have a house at this point.

Um, and I'm the guy that she met from the internet that you quit her job for, uh, who just lost everything.

And, uh, I was, I needed this hundred grand to come in from this launch so that I could

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recapitalize and the money wasn't hitting.

I was checking the bank.

I was like, where's this money?

Like, and I, I could see the processing, the transactions, and it was all successful.

What's going on?

So I called the processor up and I was like, what's up?

And they, uh, they said it's a routine check.

I was like, I've moved the S six years.

It's never been a routine check.

And they were like, again, later.

And I was like, okay, so I'll call about the next day, next day, nothing.

And then finally it was Christmas Eve and I owed this guy money for the commissions from the sales.

And I was like, I will not get off this phone until you send me the money that I emote.

And, uh, to the payment process.

And they were like, long story short, uh, you were doing stuff in different locations and I was running this all through a local gym business, even though it was all over the nation.

And they were like, this is a little irregular.

We're just going to hold on to this for six months.

Right.

Now I owe the guy \$22,000 in commissions.

I in total now had \$23,000.

I wired him the money and I had \$1,000 left and it was December of 2016.

And I was like, I screenshot it because I still have the screenshot on my bank account.

So I went from like six gyms, turnaround business, all this stuff to \$1,000.

And I was like, this sucks.

And Layla had just got six of her friends to quit their job to come do this turnaround business with me.

And they were starting two days later from the 24th, so the 26th of December, because I planned on getting this under grand end and then being able to launch six gyms because it took about, you know, whatever.

Uh, it was \$3,300 a day in cost to have six guys out there in the field selling \$3,300 a day that I did not have.

And so I still had a credit card at that \$100,000 limit on it.

And so I'm at her parents' house in, in an extra bedroom, having lost everything.

And though my one Hail Mary play of this launch, the money did not come through.

And I was like, I, I think you should leave me.

Um, I, I think I am a, a sinking ship right now.

And I would respect you, like we're cool if you want to walk away, like we're good.

Like I won't think less of you.

Like I would walk away from you right now because this could, this has a very high likelihood of not going right.

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And um, she pulled my chin towards her and she was like, I would sleep with you under bridge.

It became to that.

And it's hard to comprehend, but like I had nothing, you know, like I had that kind of belief was, was very, it was deep for me.

So it was like, fuck it.

Let's go.

You know what I mean?

And so then we, we launched the gyms doing \$3,300 a day and mind you, I had no way to process money still.

So I'm collecting 60 to 80 contracts a day that I can't process.

And if we're getting calls from customers like, Hey, why haven't you run my car?

I haven't, why haven't you run my car?

I'm calling all these processors to be like, Hey, can you please, and as soon as you get shut down from a processor, it's like a black mark, it's like going bankrupt for credit cards.

Um, they're like, Oh no, something's weird.

We, they just won't, they have other people they can process the money for.

Finally, I get like a high risk processor that does like porn and casinos and stuff to like give me.

And they're like, yeah, so it's going to be like 8% processing and we're going to hold 10% as like safeguard.

And I was like, Jesus, okay.

Yes.

And they're like, and we can only give you \$50,000 as your limit.

I was like, I was like, I need like 200 and he's like, well, and I got this on the 29th of January.

So this whole time, 3,300 days running on this card and I have no money and I have no way to process it.

And 29th of January, I can run 50 grand, I run 50 grand in a day and he's like, but it's by month.

He's like, so February 1st, you can run another 50.

So February 1st, I run another 50, that hundred covers my cost from the month before.

And then I get two more processors for 50, boom, boom, run those.

And then like, I got a third one or fourth one, like two weeks later, and I was able to like start moving things around.

And at the end of February, we had made like a \$30,000 profit.

And I was like, okay, I think we might be out of this.

The next month we did a little bit more and I was like, okay, I think this is working.

And then all of a sudden Layla taps me on the shoulder one morning and she's like, she like turns her laptop towards me and it's our bank account and has all these negative transactions, like hundreds of them, and I was like, what's going on?

She's like, well, all these clients are calling me saying that the gym that we did this launch

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at a month and a half ago, the guy got in his chair and was like, hey, there's too many of you here, like just go home, just refund because I was the one who held the money. They had to do the delivery.

That was the model.

It was like, I would fill a gym up, I would sell, I'd keep the money and then they deliver on the services and after that they could keep the customers.

That was kind of like the setup.

And then another gym the next week said, hey, this guy made \$100,000 out of my gym. The average gym owner makes \$36,000 a year take home.

I was like, this kid from the internet took \$100,000 out in a month.

Screw that kid.

And so he told all the customers who were there after we had left, hey, I'll keep delivering your thing, refund him, just pay me half what you paid him.

So I took you out.

Right.

It was a flawed model.

Like I didn't understand, like I didn't get it at that point.

And so we had \$150,000 in refunds that I had to cover and I had no way of doing it.

Mind you, like Layla's like, we're going to do this.

I believe in you.

And so I'm like, I'm like, I can't sleep.

I remember because what happened is like the more we sold, the more the refund, like it was a vicious cycle.

So I had to sell more to cover the refunds from the ones that were coming in.

And so our sales were going up and it was just like, I just, I couldn't breathe.

And I was just, I would wake up at night anyways.

And so I'm like writing down these ideas of like what I think I could do.

We had eight launches that were supposed to launch next month.

So I said, hey, Layla, you have this little weight loss business because she had her personal training business.

So you converted her on her in-person clients online during this whole process.

So she's making like \$3,000 or \$4,000 a month and mostly cause like I'm not stable.

I'm like making all this big money and losing it all and making it and losing.

And she was just like paying groceries and actually like making sure that I can eat.

And I was like, tell me more about that.

I was like, what's your over it?

How much time does it take you?

And then blah, blah, blah.

We're going to do your thing.

We're going to call it queen transformation.

I'm going to start running ads for it and we're going to take the sales team and we're going to put it on your thing.

And so within 14 days, she starts taking the phone calls because she was a good salesman.

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She's doing a thousand bucks a day online.

No, no, all margin.

What's that product?

It was a 16 week like weight loss program.

Online.

Yeah.

Online.

Exactly.

And so it was 500 bucks because she was selling two of them a day.

And so I was like, man, if we get the eight, eight guys going, we'll have 8,000 a day to 40 after ads.

And I was like, I can make 150 in profit and like, we'll be in the clear.

So I called the eight guys that were supposed to launch the next month, the gyms, so I get on the phone with the first guy and I was like, Hey, we're going in another direction.

You know, we're going to, we're going to be a weight loss company, sell direct to consumer.

And he was like, dude, you launched my buddy's gym like two months ago and like he, he can't stop talking about you.

It's like, it's packed.

Cause there, there are other gyms that everything went fine with, just the ones that didn't is the ones that crushed the business.

He's like, I know you can do it.

And I just refinanced my house and I maxed out my credit cards to, to, to make this gym happen.

And I, I'm going to lose it.

And given what I had been through up to this point, I was like, that's tough, man.

Sorry about that.

And then finally it was like, can you, okay, instead of flying, can you just show me what you did to tell my buddy out?

Can you just give me like the system?

And since I was like, I'm going to get out of this gym business, I was okay, like selling my secrets.

And so I was like, all right, man, I'll, I'll give you everything I have, but I'm not going to fly out there to save your ass if you can't sell.

And he said, no, no, it's fine.

And so I picked up the highest number I could think of cause he already told me he was broke.

So I figured I could just get him off the phone so we could move on.

And I said \$6,000.

And he was like, six grand.

And I was like, yeah.

And he was like, oh, done.

And I remember like looking at the phone and being like, holy shit, \$6,000.

And I was like, oh, what card do you want to use for that?

Wrote it like a cardboard box.

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And then the next call had the same thing.
And I was like, well, shoot, I have to make this thing.
And I was like, same conversation.
He's like, how much?
I was like, eight grand.
And he was like, yeah, okay.
And I, each of the calls, I was like, next call, same thing, 10 grand.
Next call, same thing, 12 grand.
And then the next, you know, the end of the day, I had sold \$60,000 in licensing packages for all of the stuff that we did to do the turnarounds.
Is that monthly or is that just one payment?
It was a, it was a, I didn't even have it.
I was just like, I'm just giving you everything I do.
Yeah.
It became more, it became a recurring model over time.
It was a PDF or something.
It was actually all my internal stuff.
So it was like what I used to train my sales teams that would fly out and like what I would use to train them on how to do nutrition orientation.
Like it was all the internal stuff.
The only thing I actually made external was I had to create the, the advertising material.
So I had to basically make a white label landing page for the gyms that they could put their logo on.
And then I gave, I licensed them the ads themselves that we already do converted.
So like the videos, the copy, everything, they used like videos of me that we knew converted and I taught him how to run them.
And then that's, that's what it did it.
And we made \$60,000 in a day and I like Layla came in from doing her two sales for weight loss.
And she was like, I think we're still in the gym business.
And she was like, what?
I thought we were doing weight loss.
Like you just told me, you sold me on weight loss being like the next thing.
And I was like, I just, I just think we were doing it wrong.
And so I explained what had happened and she was like, so is this what we're going to do now?
And I was like, I guess I was like, I can call the other 30 gyms that we did the turnarounds for.
I was like, they know we can do it because we just did it for them.
And so I call all those guys up and we did like \$300,000 in sales that month.
And it was basically all profit and I covered the refunds and I covered the everything and we were like in the clear.
And then, and then it was just, and then all those gyms that we did that we sold, the average

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gym did \$30,000 in extra cash collected in their first month using our system. And so the key was that like, if they didn't have to pay the overhead of the sales guy who was there every day at the hotel, the commission for that guy, like the rental car, the per diem, like all the stuff that you have to incentivize and just like rent it out of their own gym and work the lease themselves, it became incredibly profitable for them. And then it just took off like wildfire. Like we went from like our first 12 months of like January to January. We did 26 million top line, 17 million in EBITDA, our first 12 months. Like it was, it was insane. Like it's hard to comprehend that like, like that was the moment I had been like dead broke in her parents' house. And then like six months later, I have \$3 million in the bank account. And then like 12 months after that, I've got like 20, it was, it was insane. And I didn't even know how you could pay taxes. Like I didn't, I was figuring all this stuff out. But through that whole thing, Layla was just like, you can do this. Like we can do this. Like we've got this. And I think sometimes you just need one voice behind you that just, just keeps believing. What happened then? So that's 2016. You turned things around over the next couple of years. What happens, you know, leading up to where we are today in terms of your business? Can you give me a top line summary in terms of what's happening? Yeah, I'll give you the TLDR. Continue to grow Jim launch. Two years later, we started a supplement company called Prestige Labs. At this point, we had thousands of Jim owners that had licensed the business model and the ads and all the stuff that we were doing. And so we sold through that distribution base. That company grew pretty good, pretty big, pretty quickly a year after that, we started a software company that also helped Jim's get leads in the door. It's just like an automated lead thing. And then 2021, we sold all three of those companies. The supplement and the licensing company we sold to American Pacific Group, which is a private equity firm out of San Francisco for 46.2 million. We sold two thirds of the company. And then the software company, we actually sold to a strategic buyer who had like a massive base and we just had a better monetization system than they did. And that was an all stock deal. So we're just continuing to grow under their umbrella and they'll probably sell in four or five years. But from that, and what we had taken in dividends during the licensing business for the five

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years that it was rocking and rolling, we started acquisition.com.

So that became kind of our family office.

And so we started our first investments, I think our first investment since we did was in 2020.

So there is some overlap there.

And part of the reason that I was willing to sell it was because the investments, the first three or four investments we did did really well.

And I was like, okay, this is what I want to do is the next thing.

Because I didn't want to be the Jim guy for the rest of my life because I had been, at this point, had been, I think, more than a decade that I'd been from like sleeping on the gym floor to having multiple occasions to doing the turnaround business to doing the licensing.

I've been in that game for a long time.

I think that maybe I could have stayed there and could have just continued to compound it and started doing acquisitions under that fitness umbrella.

But I wanted to do more general business stuff.

And so that was, that's what we did.

And so now we buy chunks of companies, usually minority stakes 25 to 49-ish percent.

I mean, we have one that we're in the talks of, that we were originally a minority stake in and we're going to take majority because it's been a great company and they want to, the founder in the same position as I was, like, just wants to do other stuff and it's a great business.

And so, but that's kind of how we, we see it as like growth partners.

We come in, we write a check, we add value, we help grow the business.

What are you brilliant at?

You know, you kind of, you kind of come to learn what you're good at based on comparison, but you kind of understand your area of expertise.

What is your area of brilliant, brilliant expertise?

Like really want to ask Caleb.

Caleb.

Where's Caleb?

We can barely see.

So, Caleb sat over on the sofa in the corner of the studio.

He's a friend and creative director of Alex and I'm asking Caleb what Alex is good at.

What's his area of brilliance?

I like it.

Solving problems for companies, simplifying complex things into more digestible, actionable solutions as well.

And how would you answer that question?

If you were answering it for yourself.

I feel like I fundamentally a lot of times don't understand the world.

And so, I think the reason that some people have found the content and things like that good or useful is because they feel like they can understand it.

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It's just because like I didn't get it, right?

Like terms like value, right?

People like provide more value.

I'm like, what does that mean?

And so, I just make it, make an attempt to define the terms that a lot of us use every day and then it makes it a lot easier to solve for those things in business.

And so, you know, a lot of people are like, I want to grow my business.

I'm like, all right.

What does that mean?

I'm like, well, get more customers, make them worth more.

Okay.

So it's one of those two things.

All right.

Well, how do I make it more customers?

Like, well, there's eight ways to do it.

There are the eight ways.

Which one do you feel like you're best at and just like kind of thinking through frameworks that way is, it's just, for me, it's just been my way of being able to be relatively competent in a world that feels confusing.

Like there's a few things I feel like I can understand and I just hold on to this.

I mean, that's the very nature of innovation, isn't it?

Like asking the question, you know, we so, so often our lives just accept words and phrases and ways of doing things.

And then there's a few people who are really good, like Elon's one of them.

Just like asking why.

And then when you ask why, like, why can't you make an affordable quote unquote electric vehicle that is fast?

Everyone else said you can't.

Yeah.

But why, you know, and then he, he's great at breaking it down into like the core components of that innovation.

So, well, if we buy the metal on the iron exchange and we do this and this, then we can do it.

Yeah.

So that's such an important thing in entrepreneurship, isn't it?

There's some people who just ask why naturally.

Yeah.

It sounds like to the point, like, to Elon, it's like, I don't understand why we can't.

Yeah.

Like just explain to me why we can't so that I can not think about this.

Yeah.

And I feel like that's, you know, I would say that that's the most common thing.

Like, why isn't this company growing?

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Like, I don't get it.

Like explain it to me.

And then usually a lot of people, it's like they're, they're in this caught in this loop.

You know what I mean?

Of doing what they've always done or like believing that this is the only way.

And I think a lot of times I've benefited from like not knowing because I, my questions don't seem stupid to me, but only to somebody who like knows what they're doing.

It seems stupid.

And so from there, we're able to like, I guess to your point, innovate just by being like, I don't understand.

That's what Steve Jobs, from, from everything that I've read about Steve Jobs and my brief conversation with Steve Wozniak once upon a time is he was just the, the, the voice in the room that never understood why they couldn't.

And even like when we think about him removing the keyboard and doing, you know, not refusing to use a stylus and all these other crazy things he did, not using JavaScript, I think at the time and changing the port and removing the iPhone jack, that that is somebody who is so strong in their convictions in terms of like doing things anyway.

How important do you think that is generally like what in your view?

What makes a really good entrepreneur slash leader?

I think that they have to have the power to influence and that is across lots of things.

I just, they have to be able to move other people and you can define sales as the ability to get people to comply with your request.

You can define leadership the same way management, marketing to a degree is getting people to comply with a larger request, you know, publicly.

But I think that fundamentally is a skill that people have to have if they're going to be successful at entrepreneurship.

They have to have tremendous drive, whether that's a combination of towards or away.

So they have a big mission that they really want to achieve or they have some very big fear that they're running away from either way.

I think the fuel works just from a pure entrepreneurship perspective.

Third piece is impulse control is that they have to be able to say no to things on a regular basis for an extended period of time.

And I think they have to be able to boil down the success of their business into inputs and outputs.

Like if you do not know the inputs that are going to get the output that you want, then what are you doing?

And so I think for most entrepreneurs, like if they have those things, if they have the ability to lead other people slash sell, just influence, they have some big motivator.

They can control themselves long enough to keep on going during that period of time and they are doing the right things because they know the inputs and outputs to be successful to create the thing that they want becomes a very difficult person to beat.

From that first point, then sales.

One of the things I read in some of your work is this idea that if everybody just went and

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spent two years doing door-to-door sales, then why is that important?

Why do you think door-to-door sales is a key thing?

I think it's just for broader definitions for the audience.

I think it's just high volume transactional sales.

So whether that's you doing door-to-door or you cold calling or you work in the front desk at a gym where you do 20 consults a day.

Just having a high volume because in order to learn a skill, you want to have as much exposure as you can to repeat the action.

And then you want quick feedback loops so that you can learn what you did wrong.

So the perfect scenario would be mentor, mentee, repeated exposure, fix this, try again.

Fix this, try again.

And in sales, if you can survive that long, then you are good enough that you will have gotten enough feedback.

For most people, if they can weather the first three months of sales, then they'll usually be fine.

And so for the people who are coming up, I always tell them go shout out the best guy and do twice the volume he's doing because you're not as good as him.

So do twice the volume that they're doing.

Work all of the hours and you will get better faster because you're doing.

You have to suck for X period of time.

And so if you can condense how long that takes you in terms of calendar day, it's not hours.

You can get there faster.

But I think that it's important because one, you have to learn how to get rejected and still keep going.

And I think that's a very valuable skill.

And then two, there's lots of little things that you learn in just interpersonal communication that allow you that you can use with teammates later.

You can use in marketing because a lot of the best marketers started as salespeople and marketing is just sales one to many, at least as I understand it.

And so having that kind of repetition just develops a deep understanding of human psychology, I think.

And I think it's important for if you want to get people to give you money for the thing that you have, having that as a base skill comes in handy.

I think a lot of people aren't orientated towards developing skills.

I think they're orientated to lifestyle, to what I can post on Instagram, to cool, whatever is cool.

But this idea of developing skills requires this thing that's kind of absent in modern culture, which is patience.

And a lot of like you said, rejection, who wants that, you know, there was no glamour in what you said.

Yeah.

It's funny because a lot of us want traits, right?

We want to be patient.

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We want to be humble.

We want to be, you know, long suffering, whatever words you want to use.

But in order to, if I would say, hey, how would you create, if you had to create a human, what would you put them through to make them tough?

It probably wouldn't be a really chill life.

Yeah.

What would you put them through to make them patient?

You probably wouldn't give them things immediately.

And so it's like, we want these traits, but each of the traits has a price tag attached to it.

And it's just like, do you want to pay the price tag to get the thing?

So I think if people reframe the period of life that they're going through as the price that they're paying out of their wallet, but the wallet is their time, is the seconds of life that they're trading for it, then I think more people will be willing to make the trade.

Because at least when I look at myself, like when I'm 80 something years old and I'm looking back on my life, I want to have these traits.

But in order to have those traits, I know I have to go through these things.

And I think for me, that's given me a lot of comfort in hard times.

One of the things that kind of adjacent to that, which causes patience is the belief that you are at some point going to get there.

So like, you know, it's all well and good you saying to me, you do this for five years, Steven, you'll build the skill.

But I go, well, listen, if I want to be a millionaire and I have low self belief, I'm going to have low conviction.

So I'm not even going to take the bet.

So how does one build that self belief?

Self belief is such an interesting thing because it feels like this real, it's clear to some degree that you had it in that moment of turmoil.

Also, the reason I say to some degree is because it doesn't seem like you had a plan B anyway.

So I'm like, you were already in your parents and laws playroom or whatever.

So yeah, you're nothing to lose.

So I don't know how much self belief is applicable, but regardless to keep gracing those hurdles, you need some kind of conviction that like, this is the right way to go.

How do people build that?

So I hear that and to echo the point you just made, I hated my current existence.

So I think some people don't hate their current existence enough.

And so I don't think you either have to really believe that this thing's going to happen or you have to know that your life sucks.

And I knew that my life sucked.

And so I knew that if I did something else, it would have a higher likelihood of changing my life than not doing something.

And at least that's how I would say that I probably saw it in the beginning.

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So I didn't know if it was going to work, but I knew that I wasn't going to stop.
I heard a quote some 10 years ago, which just came to mind when you said that on some YouTube family vlog, where he said, change happens when the pain of staying the same becomes greater than the pain of making a change.
And in your situation, it sounds like, well, this is less painful.
A hundred percent.
I think, and I think that's the basis of most change.
Either you have to have a word that is, that incentivizes you the way towards or away.
It's either we're going away from pain or we're going towards pleasure.
And I think a lot of people are really looking for that passion that's going to be towards.
But I think early days, and I talk a lot about this, but like, I think negative motivation is poo poed too much.
Like if you are angry, use it.
If you are sad, use it because like, what else are you going to do with it?
Like you might as well let it help you like, or it uses you, you know what I mean?
And so I always like to see when I was in my earlier days, I felt like I was wielding my anger at least in a direction.
And I think also a lot of people think that they have to get like it right on the first shot.
But one of the beliefs that I had was that I just want to be directionally correct.
Like if I move, I like, I know that I don't like this.
And so this way is not where I am.
And so I will start taking steps this way.
And from the story that you at least heard, it's like, I'll ping pong a little bit to try and directionally move that way.
And it's funny because Caleb seen plenty of things from what we do at acquisition.com where we're like, we'll try it out.
And if it doesn't work, they're like, oops, all good.
Do you believe in yourself?
I think that I have a high likelihood of repeating activities that I've done in the past.
And up to this point, I have lots of evidence that would suggest that it, that I will continue.
Why didn't you say yes?
Because I base the answer on that question or what I've done before.
And I think it's been, it's just based on evidence now.
So it's not like a, like a charisma thing, at least for me, it's just like, I've done these things.
And so I think it's probable that I'll be able to continue.
Is there a deeper reason to why you didn't just say yes?
That's actually how I think about it.
Is that because it feels difficult to say you believe in yourself?
Yeah, it feels weird.
I don't know if hokey is the right word for what that feels like for me, but like saying the way that I said it is how I feel about it.

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Have you been on a journey in terms of self-doubt over the last, you know, 30 years?

For sure.

I think it was, I mean, fear was my big fear and anger hand in hand, or my big motivators in the beginning.

And I mean, maybe that's from self-doubt.

I would say that I was very certain and I can feel this and I remember this.

I was always certain that I wasn't going to stop.

Like that I can, I didn't know, I didn't know whether I would succeed.

I thought it was probable, but I did know I wasn't going to stop.

And so for me, that was like enough to get me going, or keep me going.

It was like, what are the controllables?

Me.

Okay.

If I do this, so like I'm big on making like unreasonable, like unreasonable that it doesn't work out statements.

Just like, if I do sales and I do more volume than everyone else on this team, and I shadow the guy who's the best and I do that for five years, it's unreasonable that I won't be at least mediocre.

It will be probable that I'm above average.

And it's also probable that I'll learn other things along the way.

And I'll also have the resources at that point in five years that I can jump into things now that I have more context or perspective from which to make a judgment on what a good next opportunity is.

And so I like very easy to believe statements and then having the input output equation being like the output is that I will be a very good salesman.

The inputs is that I have to do, I have to collect 5,000 nos.

I collect 5,000 nos, I'll be a very good salesman.

And that for me, like when I was a kid, when I played video games, I'll beat the same level over and over and over and over again.

So that when I got to the next level, I would crush everybody because I had all the experience points maxed out.

And so like those input output equations are really helpful for me.

Like when I took the GMAT to get into Harvard, my first score was like, okay, it wasn't great.

But I read the study on how to do well on standardized tests.

And they had this graph and it went like this, it was just a straight line.

It said number of problems practiced on GMAT score.

So like the more problems you did, on average, the higher your test score was.

And I was like, done.

So I bought 16 phone books of like, they're like these thick like test prep books.

And I did four hours of problems every day for three months.

Every day I'd get home from work, I'd eat dinner, I'd do four hours problems at a timer every day.

And then I scored a 99 point whatever percentile, because it was just input output.

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Like I didn't, I didn't, I was naturally not even that good at math.
But I just was like, if I do 10,000 fucking problems, like I'll start to just understand how these problems get asked.
And so like, I was trying to find like, what's the input output for this, the content game? I was like, okay, well, if we post once a day on one platform, we will get some eyeballs. If we post on every platform every day, we will get more eyeballs. If we post multiple times a day on every platform, we'll get even more eyeballs. So let's do that.
Let's build that system.
100%.
And so like, those are the, like, I try and make statements that I believe are unreasonable, that if I do it enough, it will be true.
And so that's, for me, that's what gives me the confidence to say like, what if it's not working?
Well, eventually, like if we just keep doing it, it will work.
What does it take to want to do something potentially for years so that you can get good at it?
Because, you know, there's going to be people thinking, well, I want to be a great DJ, but I just can't find the motivation to spend every day three hours practicing, Alex.
Yeah.
We're like, you probably won't be a good DJ, but I would be like, you like your current state enough that you'd like the pain of change thing, but like, you're not in enough pain.
I've said that to plenty of people.
We go speak and someone's like, how do I get motivated?
I'm like, you're not going to get motivated.
Like, you have to hate.
For me, I automatically go there.
I'm like, you have to hate something.
Like for me, I just hated my current existence.
And so for me, that was powerful enough to get me out.
There's got to be another way though.
You know, I was thinking to you that moment where you took the leap, you know, and there's, I feel, I often feel like most people that listen to this podcast, often are at a point in their life where they're considering a leap, feel like we drag those type of people in.
We kind of like, we're a magnet to those people.
So if they, if they're in a situation that they don't like, but it's not that painful, you know, it's comfortable.
Well, that's the worst.
It's comfortable, but a little bit miserable.
How do you get them to take the leap when it's so comfortable?
My boss is promising me a promotion, I think about death all the time.

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It's like, I'm going to die.

And I think you have to agitate the pain for yourself.

Like you have to stoke the pain.

Like if you can't get through through, because like it would be, it would be odd that you would be motivated by some weird passion.

Like not everyone's modes are and just like, I love music and I've been, I've seen, you know, see numbers and colors, you know, whatever.

Like some people are like that, but most people aren't.

And so if you're not that, then you only start really liking stuff when you get good at it, in my opinion.

And you only get good at it by doing it a lot of times before you're good at it.

And so if you, this is why I'm a big, big believer in this is that when you are starting out, I think you got to find the thing that's the pain and like pain motivates significantly faster and stronger than pleasure does.

Like people are like, no, passion is the right way.

It's like point a gun at a family member.

All of a sudden 10 out of 10 motivation, pain.

And so like, I think people should use their pain more.

And if they don't have enough pain, then one, maybe that's fine and you're a dreamer and that's okay.

But I will tell you that a word that I can, I read in my like six month journey between what I wanted to quit and when I actually quit, there was this word that just like pissed me off.

And it was this in the self hop or entrepreneur book and it said, there are entrepreneurs and there are entrepreneurs.

And I was like, and it was like, entrepreneurs are people who read these books and don't do anything.

And I was just like, I don't want to be, I was like, I am one of these right now.

And I just, it just like felt so powerless.

And I think that my entire life has been a lot of trying to have power.

And I mean that in the true sense of just being able to direct influence and events.

I've wanted to have more power to protect myself, protect the people I care about, et cetera.

And I felt very powerless.

And I think that I was in that comfortable, like my dad approved of my current situation.

I had a job that when I told people, they're like, oh, that's fancy, but I felt powerless.

And I hated that more than anything.

And so I think, I think if I want to say this to anyone who's listening, if there's anything you listen to, all the stuff that I described that was really tough that I went through was not as hard as me quitting my job.

By far the hardest decision of my entire life, far or none.

Because the things that I was actually caught up with were the opinions of other people, the opinions of my father, and the opinions of the people that I went to school with who

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I thought would judge me for leaving this good job to probably become a failed gym owner. And how lame that would sound compared to a consultant going to Harvard and all that like, I was going to go from peak white collar to a very blue collar, you know, profession making significantly less because I quote, loved it.

And like, I'll say this again, but like, sometimes you have to let other people's dreams for your life die for years to live.

And for me, it was like when I, when I continued to every day not want to wake up, that was my wake up call where I was like, either I continue to live this way and not want to be alive or I just risked the fact that I'll die to everybody else.

And I think that that like, it was the hardest decision in my entire life by far, all the all the hard stuff I went through, still the hardest decision in my life.

How much was money on your mind when you made that decision, the desire to be financially free to the point where you had millions?

It's weird.

Money.

Caleb wouldn't know this.

Money doesn't really motivate me.

I would say that I mean, I love the game for sure.

But I love playing the game and the tokens are there.

But for me, it was, it was, it was, it was beating my dad, you know, I mean, I didn't want him to be right.

Like that's what it was.

Like I didn't want him to be right.

I just, I just, I remember, like I would, I'd be sleeping on the floor, I'd be miserable at, you know, when I had my gym and I had no trainers, I was teaching all the classes and so I'd, I'd wake up, I'd do four AM, five AM, six AM, seven AM sessions and then I would then work out for myself and then I would do, I'd do all the marketing and the ads and the stuff that I have to do in the middle of the day and then I would teach the four, the four PM, the five PM, the skipping, the seven PM and then I would do sales consults at eight, nine, 10, 11 and then I would do the billing for all the, all the contracts from 11 to like 12, 12, 30 and then I'd wake up again and I did that for like six months and like I started to like lose my mind because I wasn't sleeping.

But even during like those times, I just literally, I would envision going back to Baltimore to my father and have, and knowing that he would give me the false modesty of like, I know you tried, don't worry about it.

Now let's get you back on this thing and I knew that from that moment on he would own me and I just couldn't, I couldn't, I couldn't do it.

I was like, I will do anything but go back to that and for me that was my, I would do anything and so whatever that, maybe you need to agitate some pain in your life, you know, to get out of your current circumstance.

And just as a total side note, play it out.

What if you just never do anything?

Is like, maybe some people just need to stop dreaming.

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Maybe they need to accept their current reality and actually enjoy it because there's a lot of people in their 70 and 80 and they didn't do their dreams and if they went back, like they didn't do anything but that whole time they were dissatisfied because they didn't try.

But what if they were just like, I have a good life, I have a wife who loves me, I've got some kids, I have a job that I, you know, like, I don't mind it, I paste the bills. I mean, if you go back 500 years, there wasn't people like, man, this is my passion. He's like, dude, I'm just rowing, rowing a boat across a ferry and that's what I do and that's what my dad did and his dad did, like, this is how we eat.

And so like, we have these, these idealized versions of purpose that I think Instagram and all this stuff kind of make terrible, but like, I think there's a lot of honor and work, period.

And I think a lot of people fool themselves by thinking that what they do for some reason is not honorable.

And I think a lot of it is like the internal versus external scorecard of like, I was saying what I said earlier about, like, I believe these things to be true about the universe or like the world.

But a lot of those are like, what do I believe about myself, which is like, I can choose to do work in this way, which then I can derive joy from.

So like, if I'm traveling shit, I can choose to be like, I will be the best shit shoveler because I believe that I will figure out how to do this more efficiently and I will, you know, I will, I will get better and I'll have calluses on my hands and I'll have a better back and whatever.

Um, but I will do this well and I think you can find joy and work if you decide to do it.

So on one hand, if you are, if you were, if your dream causes you so much pain, then you will quit what you're doing and do it.

And if it doesn't cause you enough pain that you're not pursuing it or that you don't like, if you don't feel like you're in a cage right now, then maybe you're not in a cage and maybe you just need to like the life you have and that's cool too.

A previous guest on this podcast called Mo Gouda said, we're unhappy when our expectations of how we think life is supposed to be going are unmet.

And in that, there's something very sort of linked to what you just said there, which is we have this external expectation set by Instagram or whatever, by people like us who are in a position of financial freedom and have built an audience who, you know, admire those people for what they've achieved.

And if someone wants to be admired, they think, well, I need to be like Alex, right?

And that I could be working in a shop actually objectively, like subjectively having a great time in the shop, but I look up at Alex and go, my life sucks.

And like, so in that, I'm like, it's very difficult because of the pressure works done.

Like I was just thinking when you said it, then I was thinking this whole idea of like passion and purpose is probably like 60 years old.

Yeah.

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So it's all brand new.

And it probably originated when we were like connected, you know, like radio, TV, all of this advertising, which made us change our expectations of our own lives when living in the village and like helping out at the bakery was probably delivered the same amount of happiness, cool happiness than being on the private jet and whatever else does now. I think most people are just as happy and just like you're 50% happy, 50% sad for most of your life.

If you're in an extreme circumstance, then change your life.

If you're not like conditions, like people get handicapped, they break their legs, you know, they can never move again and they have a dip in their subjective well-being and they go back to the same baseline.

And so like the baseline is independent of conditions.

And so the world wants to tell us that we need to change our, you know, change our circumstances and then we will be whatever, but like every modern religion, every Buddhist monk will tell you that all of that's from the inside, not the outside.

But these are words and words that mean you.

Yeah.

Can say.

Don't follow.

Yeah.

Because I'm sure that you've experienced like the attainment of a goal and then I just need three times more.

Yeah.

I'm referencing a study there where they ask people how much money they would need to be happy and all the way up the income wealth spectrum, people said three times more than they have now.

So people with 10K said 30, people with three million said, you know, six, nine million.

I couldn't do math then.

Three times three.

And you imagine you still experience that now, right?

Yeah.

Different reasons.

But yeah, for sure.

When is enough enough?

I don't think it's enough thing.

I think it's more like who I want to be.

Who do you want to be?

I want to be the person capable of doing that, doing X, like we'll get to a billion and then after a billion, I'll make it 10.

I already know that.

You don't even, but like, I love playing the game.

What is the game?

Game of business.

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To what?

To what end?

Or just, just for the play?

To play.

Yeah.

I'm sure you know more about this than I do, but like just game theory, like the finite and infinite games.

Simon Sinek has a great piece on it.

But yeah, with infinite games, you have known and unknown players.

You have no agreed upon rules and the point of the game is to keep the game going.

And so a lot of teams, people will take a finite game where you have known only known players agreed upon rules and a set outcome for winning and they will apply it to an infinite game.

So they want to, they apply a finite contract to health.

They're like, I want to win health.

It's like, you don't win health.

Like, okay, you're in shape now what?

You stay in shape.

You keep staying in shape.

I want to win at marriage.

You don't win at marriage.

You keep the marriage going.

That's playing the game of marriage.

If you want to, you don't win at business.

You keep playing the game of business.

And so we want to take these finite contracts and put them on, on infinite games.

And I think that's where people get it, get in trouble because they're, they're like, I have to keep moving the goalposts, but if the goalpost is to play, then you win by playing.

And so for that, like, sure, we set goals for the company, but like, I'm a thousand percent super motivated.

And at the same time, if we never hit it, I'm just going to be happy that I was able to play.

I also know that in three generations, everyone will forget who I am.

I saw your post about the queen.

Yeah.

It was as staffed as you.

No, no, no.

It wasn't, it wasn't for me, if I'm being honest, but, but it's an interesting, what did the post say?

Well, she amassed more wealth than 99.99 percent of the world.

She ruled for 70 years, uh, was, you know, a female monarch, which is insane, especially 70 years.

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It could just like all, it's had an amazing family, all this amazing, whatever.

I don't know the tabloids you do.

Um, and when I posted it, it had been, I think five or six months since she had died exactly.

And I was like, you probably haven't thought about her today except for this post.

We probably accomplished more in her life than we probably will.

So if you were afraid of other people thinking about you, just remember that six months after you died, they're not going to be.

And so it's like, we have all these fears about other people, but like most of them won't even show up to your funeral because they're going to be busy.

And so like, I think about death all the time.

And that's, that's what I think for me has given me a lot of, uh, freedom to take big shots because like at the end of the day, I think that it's not going to matter.

No one's going to remember people in Thailand don't know who I am today, let alone in five, 10 years, a hundred years.

It's a trap that the mind can quite easily fall into.

They're thinking you are the center of the universe and with that comes an immense amount of weight and pressure and anxiety.

Totally.

I have a trick.

I've never talked about this before, but whenever I feel myself slipping into the trap of kind of overstating my importance, what I mean by that is like thinking my problems are big problems.

I go on YouTube and I type in, um, there's this one video that shows a camera on earth that just zoom out and it keeps going and eventually earth becomes this tiny speck, then earth becomes this tiny speck, which is the galaxy, then the galaxy becomes this tiny speck and a bunch of galaxies, then you can't see any of it anymore.

And then also this idea that like a hundred years ago, I didn't feel anything, didn't think anything.

Nobody knew me.

A hundred years from now.

Exactly what you said.

Absolutely.

I mean, fucking five minutes after I die, I think, oh, but, um, and that feels really liberating.

I like relieves of stress from my body, which is an interesting thing because a lot of people don't like thinking about the death, you know, a lot of thinking about, yeah, all the time.

I know from doing this podcast that a lot of people won't click if we post something about death.

They won't because they don't even want to confront the concept of it, which is people are afraid of it just because they don't understand it, kind of like the hate thing.

How'd you feel about that?

I'm good with it.

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When you say I'm good with it, what would you mean?

If I die tomorrow, I'm good with it.

Like I want to leave it all on the field.

I'm going to try as hard as I can.

And I know that no one will remember me on a long enough time horizon and I'm good with that.

Like I'm cool with it.

If I told you I'm going to die tomorrow, would you be sad?

I probably am with Layla.

I guess a little more than I always do, but like, I would say I wouldn't be sad.

I'd be bummed.

Be like, man, there's all this shit I want to do, but I don't think I'd be like depressed.

I think I mean, mind you, to be fair, maybe I'll find out and maybe I'll get hit by a bus tomorrow.

But no, I think like I've lived life the way I want to live life and I'm good with it.

If you were to go today, had you really like given it everything, had you lived the life you feel like you were really destined to live?

Me, absolutely.

An interesting mind trick around the same topic is so when, when Betty White dies right at 99 or whatever, like people were like, she lived a good life.

So when Kobe dies before his time, right, it's a big deal.

And I see that as a contrast between expectations and reality and I'm going to tell a story that hopefully people don't take the wrong way, but I had a cat and really liked the cat and it died at two years old.

Really liked it.

Young guy, heart thing or something, whatever.

I remember being like really bummed about it and I was like, huh, how can I not think this?

The only reason I am bummed is because I think that he should have, should being the big word that everyone likes to use, he should have lived longer.

I was like, what if cats only lived six months and I got to have him for two years?

I was like, I probably would be pretty stoked about that.

And all of a sudden I was significantly less sad about it.

I was like, I got to have him for two years.

I was like, awesome.

And so I think, like for me, for us, whatever, if we were to change our expectation, like people think they should live until, everyone thinks they're going to live to 100, which is kind of interesting because like the average life expectancy is 74.

And if you're like 36 year middle aged, if you actually do the math, which no one wants to do being middle aged at 36, I know, right?

But I think if we shift our expectations that like expectations is the thing, right?

And so we can, if we expected, if I expected that I was supposed to have lived 20 years and I made it to 33 stoked, Jesus lived to the 33, did a lot more than I have.

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You know what I mean?

And so I'm good with it.

If I die tomorrow, like only reason I would be upset is if I demanded from the universe that I live longer, but like 500 years ago, average life expectancy was like 35, you know, it was just not like dark ages, ladies and gentlemen, I am so delighted to finally be able to announce that one of my all time favorite brands and now sponsoring this podcast. And that is whoop.

All of you know that I've been on a bit of a journey in terms of health, performance, cognitive performance, sleep and all those kinds of things that's kind of been reflected in the guests we've had on this podcast.

And whoop has been a huge part of my life for many, many, many years.

That's part of the reason I also had the founder come on the podcast.

The having will on the podcast, I love the brand even more hearing about his vision, his passion for the project, where it came from, his own obsession with solving a problem which turned into the product that is whoop.

Whoop is a wearable health and fitness coach that provides you with the feedback and real actionable insights into sleep, into recovery, into how you're training into your stress levels and your overall health.

And for me, it's empowered me to be the best version of myself across all of those aspects of my life.

The whoop team have very kindly offered to give all of you a free month.

So just head to [join.whoop.com slash CEO](https://join.whoop.com/slash/CEO) to claim your device and your first free month on us.

Working hard.

We talked about repetitions early.

Working hard is quite a controversial topic in 2023.

Which is weird.

Do you see what I mean, though?

Yeah.

I'm probably not in the circles where it's controversial.

They're like, gravity's controversial and I'm like, I don't care, man.

It's controversial in the sense that there's like toxic work.

You know, there's toxic hard work and there's, I think society prescribes a certain amount of work which is good by their definition of like, I'm going to say some stuff that's going to bother some people.

I work all the time.

I have no hobbies besides working out.

If you can consider that a hobby like four times a week, that's it.

I work all the time.

That's all I do.

I work until I can't work, meaning like my output per unit of time starts to drop precipitously and then I know that I just need to take a break of some sort and then I usually bend some sort of television because that's what, for me, works.

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Some people are like, I garden.
That's not me.
Netflix, I'm good.
You know what I mean?
Or Darkroom in a movie theater, rocking, comma and that's okay.
Why do I need to take their expectation of what they want?
They're like, that's not healthy.
I'm like, define healthy.
I do as much as I can of the thing that I want to do with every minute of my day.
Why is that not healthy?
Why do you want me to do something that I would prefer to do less?
Because I do what I do every other day because that's what I want to do.
Almost like, how dare you cast your expectation of your life onto me?
And to be fair, the same degree.
They can not work at all.
It doesn't affect me.
I'm a big, big advocate for destroying should, the word, in general.
Should is just like the expectation motor of like all of our psyches.
You should go to school.
You should get a degree.
You should do this job.
You should marry her.
You shouldn't stay up so late.
You shouldn't work so hard.
You shouldn't.
You should be more balanced.
You shouldn't be working out so much.
You're not working out.
Like it's, there's all these shoulds that other people tell us and it's like, and you zoom out and then you see that's a galaxy with a little dot of dust.
It's like, should what?
There is no should.
Do what you want to do.
At least that's how I see the world.
That pressure applies to both ends of the spectrum, doesn't it?
Because people that quote unquote overwork, they get hit, come back into the middle and that people that underwork, they get hit work harder.
And then the presumption there in within society is that there's this sweet area in the middle where it's optimal.
And like the question book should become then like, what is the measurement?
Like what are we measuring?
Is it are we measuring when we're defining this amount of work as good work or healthy or whatever?

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Is the real measurement my happiness and my fulfillment in your view?

Is that what you're like?

Is that your measurement?

Or is it just fucking how you feel?

I work because I enjoy working.

And I'm sure that if I stop enjoying working, I won't work as much.

Like just being really like not being, I'm not being simplistic to be, you know, annoying.

I work because I enjoy working.

And if for some reason I didn't get reinforcement from work, I'm sure that my amount of work would go down.

Is there a, I think about like human needs, but are there any human needs that are being sacrificed by always working in your case?

I'm good.

Yeah.

I mean, which gets to the point of the measurement, which is like, how do I feel?

I'm good.

Yeah.

I, a lot of people really overanalyze a lot of things and like, I don't think, well, I do, I do, I just spend a lot of time thinking about death and things like that, but I usually use those as frames to give myself permission to do the things that I want to do and just do them without hearing the judgment that I know that other people would probably cast on my life.

They're like, why don't you have kids?

Like, because I haven't wanted to yet.

And that's okay.

And if I want to later, I will.

I'll tell, okay, I'll tell you an argument that I got into.

So I was at, you got into an argument.

I did.

I got into an argument with my stepmother.

So Layla's father's, whatever, doesn't matter.

Okay.

It wasn't her.

Different person.

It's fine.

Anyways, I was at the kitchen table and she said, I would never want your life.

And I was like, what?

She was like, it's so unbalanced.

I was like, okay.

How?

I was like, do you feel like I'm not in shape physically?

I was like, do you feel like business wise, financially, I'm not fit?

Do you feel like romantically, like my marriage is in some way like not good?

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And so I like, where do you feel like I'm unbalanced?

Or it's just that I do more than you, or I do things differently than you do.

Because the same degree, I wouldn't want your life.

And that's why I don't have your life.

And that's why you don't have my life.

So it's good that we don't want each other's lives because that would be tough, wouldn't it?

And so that was the argument that we got into in, in, in so many words.

And it just came down to the idea that like, I think that person was casting judgment on themselves because maybe on some level, maybe they did want some aspect of the life that we had.

And that hope that doesn't sound like weird, but it's just like, I think we all do this.

We see something, we're like, and then we look at our Delta and then we either say, man, I would like that, or we cast stones at it so that we don't feel bad to our ego.

So like, no, there's something wrong with it.

They're not happy, whatever.

And I just, I would say that if there's one thing that I will try and beat out of me until I die is caring what other people think.

And I think everybody cares what other people think, and I think over time we just care a little bit less.

And so I feel like I'm 30% better than I was 10 years ago.

And maybe in 10 years, I'll be like 30% better than that.

But that 30% has been very meaningful for me because it's enabled me to do things like I got married in eight days, none of my parents were there, and I'm cool with it because that's what I wanted to do.

And I work with my wife every hour of every day and people are like, is that healthy?

I'm like, I don't know.

We like it.

Why do you care?

I'm like, how does it affect you?

Here's a trap though.

I can relate in many ways to what you're saying, and I mean, my team will know that instinctively.

One of the traps we can fall into, one of the risks when we have that perspective is that we kind of cast that expectation on others, people that work with us.

I think entrepreneurs oftentimes when they have that drive, which is sometimes driven by a shame or an insecurity that comes from their childhood too often, so often, maybe not too often, but so often, that when they lead people who don't have that same insecurity, shame, whatever, that predisposition to work a holism, whatever you want to call it, they struggle to relate.

You know?

Yeah.

Have you had that?

Sure.

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I think that's okay.

Have you had to work on that?

Layla's better.

I say that just a little bit.

Realistically, I think we try to maintain a culture of high performance, and we're on the screening parts on the front, and we're like, these are the values we have.

Here are examples of those values at play.

If your shift ends at five, and somebody asks a question that's going to take 30 minutes to answer at 4.59, what do you do?

That's an interview question.

We need you to be honest, because if you say you would work, but you would actually be dissatisfied, you're not going to do either of us justice, because you'll come in and you'll get fired quickly, and that'll be hard for you and hard for us.

We want you to win at whatever you do in life, so Layla's very big on human first, in terms of how she does everything that we do in the company, is human first than everything else. You can tell that's why we're yin and yang for this kind of thing.

I think it's really just about expectation setting, and being very truthful, and as transparent as humanly possible, about this is what we expect.

If you don't like that, or if your worldview is contrary to this, then you shouldn't work here, because there's another company that totally shares your worldview, and you would do great there.

There's other people who feel like misfits in the companies that they're in, and then work all the time, and they're frustrated that no one else does, and they're all telling them they should slow down, come hang with us, because we'll respond slack at five a.m. on Saturday, because we're on.

I just hardcore reject there is a right way to do things.

In that example, you've touched on something I wanted to talk about, which relates to your first book, I believe, offers, making offers to people.

I read that you said, if there's one skill you have, it's making offers.

What do you mean by making offers?

Offers are the terms of exchange.

Right before I started my first gym, I went to this weekend workshop to learn how to market, and get this, this 2013, it was on Facebook ads, and so I got lucky.

I learned how to run Facebook ads in 2013, two weeks before I started my gym.

This is when you're getting penny clicks, and you could put a girl with a bikini and say weight loss click here, and they would run.

At this thing, I hadn't opened my gym yet, and the guy was like a gym marketing dude, and he said, do you know the secret to sales?

Because he could see I was way over my head.

All the other guys there were gym owners, except for me, and I was like, yeah, because I'd never, at that point, had never sold anything.

I didn't even know the word sales was a thing.

That's how out of it I was.

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He pulled me over to the side, and he asked me that question, and I pulled my notebook out to learn the secret to sales, as though it was one line, and it kind of was.

He said, make people an offer, they'd feel stupid saying no to it.

I wrote it down, and I highlighted it, and that actually became a core concept that we do in every business that we have, which is how can we make this offer better?

How can we make it more valuable?

That was why defining value was such a key thing, because people provide more value, make valuable content, and I'm like, what does this mean?

We boiled down value into four variables, and then there's things that enhance value, but core variables and then things that enhance it.

One is, what is the overall dream outcome of the customer?

A difference in juxtaposition is for it guys, if I say I can help you make more money versus I can help you lose weight, most guys would pay more for the thing that will give them more relative status.

In that way, between two categories of outcomes, this one will be more valuable.

Cool.

Now, within everything, and let's call it weight loss because that's an easy one everyone can understand, within weight loss, every other thing between a \$5 ebook and a \$50,000 liposuction surgery, the difference in those prices are the other value variables.

The second variable is perceived likelihood of achievement, which is if I buy this thing, how likely do I think I will get the outcome?

If I have a surgeon that's going to do this liposuction, for example, and it's the first surgery they've done out of medical school, and there's another surgeon that has done 10,000 and has 10,000 five stars, which one would I be more likely to go to?

The 10,000 five star surgery, even if it actually takes that guy less time to do it.

How unfair, but my perceived likelihood of getting what I want is significantly higher, so it's actually the equal opposite of risk.

Those are the things that we try and enhance in the offers.

We try and have a very compelling dream outcome, try and make it very likely that they're going to succeed and give, there's lots of elements that make someone feel like it's likely that they'll succeed.

On the bottom half of the equation, so it's a fraction, there's two on the top, two on the bottom, you have time delay between when they buy and when they get.

If someone were able to click a button on a website and immediately look at their stomach and have a six pack, that would be incredibly valuable, right?

On the flip side, if it takes them two years in order to get that, it's significantly less valuable.

For that same reason, you have to arm wrestle someone to get them to buy a personal training package.

You have to spend an hour and a half to get them to buy a 20 pack of trading sessions, whereas women walk into the doctor's office to do liposuction and drop 20 times that amount of money because the time delay is nothing.

You get on the table, you wake up and you're thin, right?

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Then the last variable is effort and sacrifice, which is two sides of the same coin.

Effort are the things that you have to start doing that you don't want to do as a result of this purchase.

Waking up early, getting sore, like in the workout example, eating foods you hate.

On the flip side, the sacrifice are the things that you have to give up that you don't want to give up as a result of this purchase, and so that might be sleeping in, eating the foods you enjoy, margarita Mondays, whatever, and so when you look at these variables, each of them has an evil twin, right?

So you've got perceived like of a GMO to the positive, and then you've got risk, which is the negative.

You've got time delay, which is the negative version.

You've got speed, which is the positive version.

You've got effort and sacrifice, and you've got ease, right?

And so when we're trying to make an offer, we try and think through each of these elements of value and think, how can we maximize the upside, make it super, super likely that they're going to hit it, paint the vision that they have it, and then on the bottom side, minimize the time delay between when they buy and when they get and how much they have to do, because in a perfect world, the moment someone says, I want that thing, that beautiful dream outcome, they'd be virtually guaranteed they would get it, it would happen immediately, and it would be effortless.

And I think that is the perfect ideal that we look at in terms of value, and as entrepreneurs, we innovate our way to just keep trying to chisel towards that perfect ideal outcome that we'll never actually get to.

The other variables are like scarcity.

If I have one Gatorade bottle left on planet Earth, it's significantly more valuable.

I didn't change anything about the bottle itself, but it's significantly more valuable than if there's unlimited Gatorades, right?

Urgency is if Gatorade, no matter how many Gatorades there were on planet Earth, I'll give it a different example.

If J.Q.

Rowling decides that she's no longer going to sell Harry Potter digital copies ever again, because of tomorrow, there will be a lot of sales of the digital copy, even though there's unlimited units.

Scarcity is a function of units, urgency is a function of time.

And so scarcity and urgency add to the value by enhancing those other four variables.

There's more, but those are the core things that we look at in terms of when we're trying to make an offer for a business.

And so that becomes very relevant when we're trying to increase price for a business that we take on.

But we had a PR company that we invested in that was a generic PR company for small business owners.

And they had really high churn, but they had a really good sales engine.

I was like, okay, there's something here, but I think we need a tweet.

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I just really like the founder.

85% of their customers were small business owners and turned out in three or four months.

15% of their customers bought the most expensive package and stayed forever.

And I was like, hey, crazy idea, what if we only served these customers?

And they were people who wanted to get fundraising.

Very different than the traditional dry cleaning store, plumber or whatever.

And so we redid the entire business model around finding only that niche.

We only cold called, cold emailed people who were in that very narrow window were able to 10X our prices.

And we got higher response rates to the emails than we did before because now we were targeting and speaking very specifically to an avatar.

And now we can provide so much more value to that specific person.

And so that's the maybe if Caleb were to answer that from a business perspective, like solving that equation is probably the thing that I enjoy the most because it is how I feel like I've unlocked the most value in a business, which is like, what are all the good things this business has?

What are all the things it can do?

Okay.

Is there a way that we can rearrange it for a specific customer that will make significantly that will make what we do significantly more valuable to them?

And then that's what we try and repackage.

And when we do that, that's oftentimes when we get like with Jim launch for me, I had the knowledge of how to help people lose weight, have the nutrition plans, I knew how to sell, I knew how to market, but it was only when I like rearrange the variables that I went from making a few million dollars a year in top line revenue and basically no profit to millions and millions and millions of dollars a year in top line and bottom line profit, simply by rearranging the variables.

And that was just so ingrained in me that from that point going forward, I was like, I just have to make things that are so good that people will feel stupid saying no.

And if we can't get enough people to say yes, we need to make the offer better.

And to me, that's been like the single thing that it affects all aspects of the business.

It's the highest leverage thing I think you can do in the business, which is why it was the first book, because answering the question, what do I sell is the first book.

The second book leads is to whom do I sell it?

I got to get leads, right?

And that's the second book.

But that affects pricing, it affects profit, it affects marketing, it affects sales, it affects delivery, like getting the offer affects everything.

And it's one of the hardest things to change because it affects everything, but it also has the most ability to unlock incredible wealth or value in a business.

And the concept there is incredibly transferable.

When you were going through the equation, it sounded in some parts similar to an equation we used to have for competitions when we were trying to get people to sign up to competitions.

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The idea, it was an equation where on one end, little investment, so just click here and you're entered, high perception that you have a chance of winning.

So if there's 10 prizes and you can see there's 10 entrants, your brain goes, okay, all I had to do was click.

And then in the competition aspect, we thought a lot about credibility because that's a big factor in competitions, like do I think anyone's going to win and do I trust these people to even give out a prize?

But it's even the same thing and it's even the same thing in content.

When you're thinking about a title for your YouTube videos, five minute, six pack abs.

Yeah, it's a fantastic equation, a little investment, high potential reward, apparently.

And that's also, you know, there's even another thing which I've thought about, which I've not been able to necessarily explain, which is why people are more likely to click on things.

Because when it says things like five steps to finding love versus like how to find love, five steps, I guess it's that ease point, feels more accessible.

Just five steps.

Yeah, perceived like an achievement, like what's my risk of not achieving if there's five steps that feels easier than just how to maybe.

When you think about where you are in your journey as an entrepreneur and you think about it, maybe it's like steps.

How far are you at that staircase?

Would you not know?

I felt like that was going to be the question that you were going to ask and I was thinking I was like, I feel like every entrepreneur feels like they're just getting started.

Like you talk to guys in their 70s, they're like, I'm just getting started, you know.

I mean, I'm about to cross a decade of being, I am right, just at the decade point for me from the first business I started to now.

So I feel like I've got a few seasons left, you know, if I can keep living, which I'd be stoked about if I can.

Let me ask you a different question.

Caleb in the corner who works for you, he's your creative director.

If Caleb said to me, you know, Caleb said to you, he said, Alex, I want to be a millionaire.

What would you say to him?

What advice would you give to him?

He says, listen, I've heard you doing all these podcasts, you're running around, I've been filming the camera, but I've been filming, I've been listening.

And this millionaire stuff, this sounds amazing.

So what advice, how old are you, Caleb, 29?

What advice would you give to 29 year old Caleb?

If he said to you, Alex, how do you, knowing me, how do you think I become a millionaire?

So there's a lot of ways to do it, it just depends on which way you want to go.

So say, first off, you can stay at acquisition.com, that'll probably happen on a long enough time for us.

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And just because we're going to get really big, we're already pretty big and we're just getting started.

So I genuinely believe that, and that's 100% my goals that every single person that we have becomes very, very wealthy, because I'm going to die and it's not going to matter anyways, and if everybody else can make some too, great.

So that is a path.

Another path is he peels off and goes on his own and starts a business of some sort. And so it depends on whether he wants to make the business itself what his core skill is, which would be like media and maybe services around media, or using the skill that he has of media in an opportunity, and he gets two or three other people to maybe co-found it with who have other complimentary skills, and then he just runs that division or portion of the business within the larger context.

And that's like a classic question of like, I'm really good at making wallets, like, what do I do?

It's like, well, you can continue to make them, and then when you can't make as many as you have demand because you're so good at it, you can either raise the price and just continue to keep raising the prices until eventually become Versace of wallets, and you make tons of profit, but you don't have tons of units, and that's okay in your luxury brand.

Or you put on the, put on the business owner hat and you say, okay, how do I mechanize the wallet building process, and I become more businessy?

And so I think it's like, do I want to be the artist or do I want to be the entrepreneur?

Both of them are fine.

It depends which one you feel like you're more naturally inclined to or have a higher likelihood of success doing.

I like the game of business.

I've played lots of different games in terms of industry is like, I like the game overall.

I don't feel like I have a particular art.

Like I don't think I'm really good at any aspect of business.

I feel like I've been decent enough to not make one of them the constraint.

Like I'm not a great copywriter, but I'm good enough that that's not going to be the limiter.

Like I'm good enough, like I'm good enough at hiring that I can make sure that that's not the limiting factor.

Right.

And so that's kind of how I think about it in terms of business growth overall.

And so it'd be the same thing with Caleb is like, we have to identify what the constraint of the system is and then de-constrained it.

When you say talent stacking, how do you say that a few times?

What do you mean by that?

So this is one of my favorite topics.

Many skills like one plus one equals five when you put them together.

So let's say you have somebody who's really good at math in the beginning that as a skill, not super monetizable.

Right.

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Okay.

Well, then you learn bookkeeping.

Okay.

Well, now you had a proclivity for math, but you learned something that has value in the business world.

Okay.

Then you learn to, you know, get your CPA and I become an account.

Okay.

More valuable.

And then you start studying around tax law and insurance and you're like, oh, significantly more valuable.

And then you learn how to, how capital markets work and how debt markets work, right?

And you understand how mergers and acquisitions work and all of a sudden you're a CFO and then you learn how to sell and promote a little bit and all of a sudden now you're a rainmaker.

And so you still needed to be good at math, but when you stack these other skills on top of it, the original math skill becomes significantly more valuable when you have these skills on top.

But each one kind of requires the one before, which is why one of the things I hate about kind of the entrepreneur world a little bit is like, they'll learn something new and then poo poo the thing before.

It's like, I'm not upset at the teacher who taught me arithmetic because I learned algebra.

One was necessary for the next.

And so as entrepreneurs, a lot of times it takes, I think the self-awareness to say like, where am I at on my skill stacking adventure, right?

And each skill, every skill you add to your skill tool belt makes the rest of your skills more valuable, which is why I think it's so cool, which is why I'm such a big advocate for education overall.

And that's, I mean, mission of acquisition.com make business successful to everyone.

That's why you put all this free stuff out there is his like, if we can give people enough skills, they'll be able to stack them on their own and then just achieve whatever they want in a totally different way.

If you'll allow me to go there.

It's like, you look at Jay-Z, right?

Maybe with somebody who naturally had rhythm, right?

And so then all of a sudden he learned how to rap.

Okay, took his rhythm, put in a rap.

Okay.

And then he made his first GD, okay.

And then he learned how to promote significantly more valuable.

And then he learned how to make a label.

And then he learned how to recruit other artists.

And so he still needed to learn how to know how to promote the other artists.

If he didn't know how to promote at all, he wouldn't have been able to do it.

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But once he had the label, he got significantly more leverage on the skill of promotion. And he could recognize people because of his skill in rapping and rhythm. And so each of these skills stacks on top and then eventually he pinnacled into Beyonce as his top skill.

I'm just kidding.

Where is he going?

But no, but that's the idea.

And that's why I'm just like, learn the skill, find the next skill.

And the nice thing is that it doesn't even matter how disparate the skills are, like if Jay-Z's really good at math and understands capital markets and understands the label, just combine to do another cool melange, a little French word, like mix of skills that's like unique to Jay-Z.

And the longer you play the game, the more skills you get and the more unique your mix of skills is.

And that to me is like the coolest part about business and just like education in general.

I stumbled across a bit of a similar but maybe adjacent idea in my career where when I learned, when my company went public on a stock exchange in Europe, I then learned from an investment bank when we were having the meetings with the banks, we went on this road show, met 20 different investment banks, we're considering an IPO in another country.

They told me that our business would be worth four times more if it was just on a different stock market.

If you move it to the Nasdaq, the exact same business would be worth four times more, which meant that my net worth would be forexed just by taking the exact same business and moving it to a different stock exchange.

And I thought about that a couple of years later when I was thinking about the skill set that I had acquired over my career, which was this skill set of marketing and social media and entrepreneurship.

And I was thinking, you have to not just have the skill but know what market to apply it to and what ended up happening.

I've never told this story before, but I looked for an industry where my skill set was in least supply but highest demand and returned the greatest.

It turned out that industry in terms of social media marketing and storytelling, I felt was most in demand and would return the greatest value for companies that were about to IPO. Because essentially when you're going to IPO, if you have a good story, it can swing your valuation by hundreds of millions or in the case of the first company I worked with, when their IPO listed at three billion, billions.

And so my skill set of social media and marketing, I could do what with it?

I could go help a local gym and get paid a thousand bucks or I could go help a company that was in the lead up to an IPO that was where I can potentially have hundreds of millions in value and take seven million as part of an equity deal.

So upon leaving my first company, the equity arrangement that I had was valued somewhere between four, I'm going to say between, it depends because the share price fluctuated.

But I think on the day of the IPO, the equity that I got for the nine to 12 months work

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that I'd done was worth in the region of seven to eight million dollars, nine months work. Basically freelance, same skill stack, but applied to an industry that would pay me more for the same skills.

And so I thought a lot about that.

And that's ultimately why we started our company, which is now called Flight Story.

We have probably at the time of airing this about a hundred people.

We started the company about a year and a half ago.

Oh, crazy.

And that's basically that.

It's applying the skill set we have to industries where that needed.

And we started out in the IPO market, did a little bit of work in this biotech market.

And now we've kind of broadened out, but people don't think about that a lot.

You're like, my skill set, where is it in Heistamon and can pay the most?

100%.

I thoroughly agree with everything you just said.

I also think that that's a skill.

I wish someone had just said it to me.

Oh yeah, totally.

And that's the thing.

It's like information to me.

It's like the most like, you know, the biggest debt.

One of the things that I, um, I love saying this, but like the biggest debt, all of us pay is ignorance.

And so I heard this close at this pitch years ago and this guy got on stage and he, and he was like, Hey, man, she was like, how much do you make?

She was like \$50,000.

So you wrote \$50,000 on the whiteboard and then you wrote a million dollars on top of the 50,000 and he subtracted it and said, 950,000.

He said, you pay life \$950,000 every single year for not knowing how to make a million dollars a year.

And it was a crazy concept and he was using it to close the audience, but I like the most expensive thing that all of us are paying for is the information that we don't know.

And that's like both frightening and also incredibly exciting because like fish in the best ponds, right?

Like a good fisherman knows where to fish and everybody can put a hook and a thing and stick it over the water, but like the best fisherman know where and when, et cetera.

And that's exactly the story that you said is like, I had the hook and I had the real and all that stuff.

But like I went to where the best, where the best fishing was and like to me, that skill same work.

Yeah.

Same amount of time.

Same rod or zeros.

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One of the things in the first book is like you want to like sell better customers. So if you want to sell better customers, yeah, like it's the exact same thing you just said, which is like, if I were to do CRO work, so conversion rate optimization for a website that's e-commerce, and I work for a store that's doing a million dollars a year and I say, cool, I'm able to increase your conversion asset by 20%.

Okay.

Cool.

So now that's doing 1.2 million dollars a year.

I made \$200,000 in value and maybe I can get 10% of that.

I get 20 grand.

Okay.

Cool.

I do the same work to a business doing \$100 million a year.

I make them \$20 million for my 20% bump and I get 10% of that and I make \$2 million. 20,000, 2 million, 100X, same work to your point.

And to me, that skill, like to know that simple fact, like I had this tweet that was super viral, which was solve rich people problems.

They pay better.

A lot of controversy around that, but it's true.

And so, find the people, and a different way of saying it is, find the people who value what you have the most.

And I'm sure you've heard this.

Have you heard the story of the father and the son with the car?

No.

Okay.

So...

Maybe I have, but she has enough details.

No, it's good.

It's good.

So there's a father who gifts his son an old beat up car and he says, hey, I don't know if it drives or not, but you can take it down to the dealership down the street, see if you can trade and get some money.

He was like, okay.

So he goes down the street, goes to the dealership, they say, we'll give you a thousand bucks for it.

And he comes, you know, here's the amount, comes back home, he's like, dad, they say give me a thousand bucks.

He's like, okay, he's like, go to the impound yard where they, you know, break the cars up just for metal.

He's like, see what they'll give you.

Goes there.

And the guy's like, ah, I don't know, this might be 500 bucks of metal kid like, you know, comes back home.

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He's like, dad, you know, said it was gonna be 500 dollars.

He's like, okay, he's like, hey, go down the street to that, uh, that antique, uh, dealership, see if they've got anything that use car lot.

And he's like, okay.

So he goes down there, talks to the guy, comes back home, super, he's like, dad, you won't believe it.

He was like, this is a historic car.

There's only like 10 of them left.

He's like, it's worth a hundred thousand dollars.

And so the father smiles and he's like, and the lesson I want you to know is that it's not necessarily who you are, but the people that value you the most.

And so you can talk to different people and go to the people who value you.

And I just, I love that story because from a, it's a, it's a huge business story in terms of like sell, sell where the fish are, where the big fish are.

Like if you, if you're going to go hook fish, go to go where the whales are, um, it takes the same work, but a lot of it's just belief.

People don't think it's possible.

And so a lot of times you have to just keep leveling up and you sell your first \$10,000 thing, you sell your first \$100,000 thing, sell your first multi-million dollar package.

You realize that's the exact same thing.

It's just, so maybe from list, if anybody's listing right now, it is the same thing.

It's the exact same thing.

And sometimes it's easier.

It's normally easier.

Like, you know, you've seen that meme that says like, uh, so what exactly am I going to be getting for this \$50 thing?

Right.

And then it's like, uh, \$50,000 clients like wire sent yesterday.

Like what else do you need?

Like it's, and that's totally true.

But I think there's a skill in understanding where to fish.

Certainly a skill.

It's information.

It's information.

It's even knowing that there was another lake over there in part.

And that's why like listening to conversations like this is so valuable for people because it lifts a curtain.

And you go, what the fuck?

You guys were behind here the whole time partying.

That's what my business life has been like.

It's like a gradually like the, I think I had Kevin Hart describe on Joe Rogan one time where he said, there's this other room where these people are playing this other set of money games.

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And then when you get in that room, you get, you're almost pissed off that nobody told you this room existed, but then there's another door.

And then you get through there maybe a couple of years later and you find these other people, these fucking billionaires that are playing another set of games and you're going, what?

And they're chilling.

They're just smoking cigars.

They're not even doing any hard work and you go, tell me the games that you guys have been playing in here.

And then again, the frustration is, and that's kind of what I feel like in my business life.

It's been like where at the jump I'm charging, I don't know, I remember my first, we found our first deck from 2014 charging.

I remember the package we had gold, silver and bronze, it was like, you know, \$200 package for like support and then \$500 and then the gold package where we threw everything in for \$1,000.

And I remember one of my first clients accepting that.

And then I think today, like the only difference, okay, there's skills that have increased, but information is the big thing.

Knowing how to do it, you know, when you think about curtains that have lifted, that have really shifted the games you play from a value money perspective, like where someone's turned the lights on you.

Of course.

Yeah.

Is there anything else that comes to mind?

Like big macro games there.

I think a big, you know, when I, the big, I will answer it with the stair steps of how each order of magnitude change in my income.

So when I went from being an employee to self employed, I went from making four figures a month to five figures a month.

And that was for me just like, I'm now in control.

The level above that was I started having other people who worked for me.

I didn't even know that was possible.

It sounds crazy.

Like I was like, you can hire people because my, my members of my gym were like, you know, other people can work here.

I'm like cleaning the floor and doing the marketing and teaching class.

They're like, I was like, didn't think about that.

Right.

And then went to six figures a month, right.

And then from there, stayed there, did the turnaround business, still had the same organizational structure, had another degree of leverage.

And so the next degree of leverage was that I started licensing.

So it was digital, right?

So the cost per, you know, cost of goods is basically nothing.

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And then that's when things started skyrocketing.

That got me to seven figures a month.

And then eight figures a month was using leverage through capital, which is where, you know, we're at now.

And I would imagine that nine figures a month will probably be some level of technology or more media on my side, but all of these things are about leverage.

And so this is like one of my favorite topics in the whole world.

But if we define leverage as the difference in what you put in and what you get out.

So if you have a lot of leverage, but a little bit in, you get a lot out.

If you have no leverage or low leverage, you put a lot in, you get a little bit out.

And a lot of times people who are listening to this and are not making as much money as they want, they're putting lots of input in and not getting a lot out.

They have low leverage opportunities.

And so understanding how to get more for what you put in is the game overall.

And so the first level that I described was labor, it's just work.

First I was working for someone else, then I worked for myself, then I got other people to work for me.

First level, each of those levels was more leverage.

Above that I had media, which is the thing that I was licensing out.

So another degree of leverage, I made it once and I could license it out infinity.

On top of that, I have capital.

I can take capital.

I don't have to sacrifice time in order to get something for it.

So it's high input output.

Above that would be some sort of technology.

You build the code once, in theory, obviously you continue to improve the code, but theoretically you build the thing once and then a million people can use it.

And so you want to stack as many types of leverage as you can, and as much of them as you can, because Joe Rogan also has a show and somebody else has a podcast.

They both technically are using media as their vehicle for leverage, but he has significantly more of it.

So it's not just like, I'm going to use all these, yes, but it's also how much and to what degree.

But Facebook had other people's money, he used media, had other people's work, max leverage. Amazon, same thing.

They used every element of leverage and they maxed all of them out.

And that's at least the curtain.

And Naval talks about this, if you're familiar with Naval Ravikant, he talks about these things as the elements of leverage, or four types of leverage.

And understanding that for me has kind of been a blueprint for wealth overall.

And then capital, there's degrees of capital.

Like first you can get friends and family to give you money, then you can get institutional money, and then you can get public money, which you saw like the IPO money, like the

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fact that the Nasdaq was Forex, the Dusseldorf exchange is not where it was.

There's just significantly more capital in that market.

And so same work, more zeros.

And so I love this topic because I think that that's fundamentally like the people who move faster in life don't actually move faster, they get more for every step.

Are you happy?

I'm stoked.

Max stoked.

You know, I've not asked this question for a long time, but I thought I'd ask it because it's kind of similar to what we've been talking about today.

But if happiness was like a list of ingredients, and it was a recipe, is there anything missing from your recipe that would make you even more happy?

And sometimes that recipe is about balancing the ingredients, you need two eggs and a hundred eggs.

Yeah.

One cup of flour.

For me, it's always been about autonomy.

I just want to be able to do what I find interesting.

And that's been the core of it.

And what I do will change, but the core of having the freedom to do it has been the center of it.

And so for me, I don't think my freedom has, I mean, not in recent history, my freedom hasn't fundamentally changed in any way.

And so I would say that I'm the same level of contentedness as I was last year.

And I find engagement in what I do.

And that's, I'll give you my definition of happiness, which is doing what you like to do with people you like and doing that as much as you possibly can.

And that's my simple definition.

Interesting.

I've tried to figure that out, that like professional, like, I guess it's not even a professional thing, but I've tried to figure out and summarize, that's a wonderful summary.

The place I'd gotten to is, if you're surrounded by people you love, you're doing something that challenges you, which I think is an interesting one.

You've kind of encapsulated it just by saying things you like, but that challenges you gives you a sense of forward motion and progress towards a meaningful goal.

And that's a subjective thing.

It could be raising a kid or making a million dollars, whatever.

I think that's kind of what I call it my Ika guy.

If I find, if I'm in that state, and it's a state, I think I'm happy.

We have a closing tradition on this podcast where the last guest asks a question for the next guest without knowing who they're going to be asking it to.

I'm terrified.

Why does everyone get so scared when I do this?

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Aren't my questions scary?

Everyone's going to like try and stick the note.

Like, okay, I'm going to think of it.

What's going to get, we have these conversation cards where we've taken all the questions written in this book and we've made them into cards so people can play at home.

I'm actually going to slide them over to you and just ask you to pick one conversation card.

Okay.

I've picked a couple there that I think are stitch ups.

So we go from the middle and the question is, what are the failures you cherish the most?

I'm going to give two.

I am very grateful that I hated the job that I had because I think that I am the type of person because of how hard it was for me to quit that if I had liked a job enough, I don't think I would have left.

And I think I would have gone to the business school and done the next thing.

Like, if I had had a job, worked for whatever it was that I enjoyed enough, just enough, I might not be where I am now.

And I think that I cherish the fact that it was so miserable that it got me to change.

Like that job changed my life from a like soul perspective.

Going through what I did with Layla, I cherish those times because a lot of people live worst case scenario years into their marriage, years into their relationship, and then they kind of like see what the other person is made of.

I got to do that before I married the person, and so there haven't been any surprises since then.

And it's something that's like shared misery to a certain degree, but like spiritual strength or spiritual, whatever you want to call it.

I know she's got my back and there's an element to that story that I didn't tell.

But when we really needed money at one point, I flew Layla out to do this launch.

I couldn't go with her.

And I actually broke up with her, but I was like, I can't do this right now.

And so for 28 days, we were not together.

And most girls, people would probably been like, screw this guy.

But instead, Layla set the all time record for a launch that still hasn't been broken.

And when she came back, I was like, she stood tall when everything in my life was crumbling around me, and she like made it happen.

And I knew that wherever I wanted to go, I needed someone like that with me.

And so I cherish the failures that of that entire season, because there were many, because I wouldn't know what I have today, if I hadn't been through those tests with her, then that's beautiful.

In the Diary of a CEO, we have hundreds of questions that have been left by our guests.

And we've put them on these cards.

And on these cards, you have the question that's been left in the Diary of a CEO, the

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name of the person who wrote the question.

And if you turn it over, there's a QR code.

If you scan that code, you can see which guest answered the question and watch the video of them answering it.

Every time I've done this podcast, and every time we've asked the kind of questions we ask here, I feel a tremendous sense of affinity to the guest.

And our aim with these cards is that you can create that sense of connection through vulnerability at home with the people you love the most.

And I have some good news for you.

As of today, you can add your name to the waiting list to be the first in line to get your own set of conversation cards at theconversationcards.com.

We have another question, which is the question that people leave in the book.

I thought I just nailed it.

I thought that was it.

This is the new tradition.

I'm talking about the old tradition.

One last question, Alex, but you did nail that, so I'll be honest, you stuck that landing.

When do you feel the most emotionally connected to yourself?

Literally my heartbeat thought was when I'm working, like the first heartbeat thought.

And then if I had to be really specific when I'm in the throes of writing.

I had a writing scholarship coming out of high school.

I was the vice editor of the newspaper, I was the editor in chief of the literary magazine when I was in high school, enjoyed writing.

It's one of those things that for me, like you said, like challenge, like writing is a thing is a monster that only gets stronger and stronger and you get better and better at writing.

And you see the flaws in your writing, the better you get at writing.

And so it always feels like it matches the difficulty matches my ability at all times.

And so it is the thing that I experienced the greatest degree of flow in the most regularly.

Makes a lot of sense.

There's a lot of questions that we talked about earlier on as well.

Alex, thank you so much for your time and being here.

It's been an incredibly diverse and enlightening and honest and vulnerable and inspiring and soul-filling conversation in so many respects.

And I know for sure you're just at the very start of your journey.

I asked you about the staircase.

I know that you've just got one foot on the first step and I think it's going to be incredible to watch the next couple of seasons of your life because you're destined for incredible things.

There's absolutely no doubt in that.

So thank you, Alex.

Appreciate your time.

I appreciate that.

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Thank you.

That's kind of words.

I've now been a fuel drinker for about four years, roughly so much so that I ended up investing in the company and I play a role on the board of the company, but they also very kindly sponsored this podcast and to be honest, I've never said this before, but Huel believed in this podcast before anybody else.

The CEO, Julian, told me before we even launched the podcast how successful it would be and that Huel would back it.

And I absolutely have a huge amount of gratitude for them for that support, but an even greater sense of gratitude for the fact that they've helped me stay nutritionally complete throughout the chaos and hecticness of my tremendously busy business schedule.

So if you haven't tried out Huel, which I hope most of you have at least given it a go by now, try it out, it's an unbelievable way to try and stay nutritionally on course if you have a hectic busy schedule.

And let me know what you think.

Send me a tweet and a DM tag me.

Let me know what you think.

Quick one.

As you guys know, we're lucky enough to have Bluejeans as a sponsor and supporter of this podcast.

For anyone that doesn't know, Bluejeans is an online video conferencing tool that allows you to have slick, fast, good quality online meetings without any of those glitches that you'd normally find with other meeting online providers that you know the ones I'm talking about.

There's a new feature called Bluejeans Basic, which I wanted to tell you about.

Bluejeans Basic is essentially a free version of their top quality video conferencing.

And that means that you get immersive video experiences.

You get that super high quality, super easy and zero fuss experience.

And apart from zero time limits on meetings and calls, it also comes with high fidelity audio and video, including Dolby Voice.

They also have expertise, great security, so you can collaborate with confidence.

It's so smooth that it's quite literally changed the game for myself and my team without compromising quality at all.

So if you'd like to check them out, search [Bluejeans.com](https://bluejeans.com) and let me know how you get on.

If you can tweet me, whatever works for you, let me know how you find it.