

[Transcript] My First Million / From the Vault: These Are the Frameworks Every Entrepreneur Should Learn

All right.

Quick break to tell you about another podcast that we're interested in right now.

HubSpot just launched a Shark Tank rewatch podcast called Another Bite.

Every week, the hosts relive the latest and greatest pitches from Shark Tank, from Squatty Potty to the Mench on a Bench to Ring Doorbell.

And they break down why these pitches were winners or losers.

And each company's go-to-market strategy, branding, pricing, valuation, everything.

Basically all the things you want to know about how to survive the tank and scale your company on your own.

If you want to give it a listen, you can find Another Bite on whatever podcast app you listen to, like Apple or Spotify or whatever you're using right now.

All right.

Back to the show.

And the day you understand this framework is the day you basically know marketing.

If you're considering going to business school to learn marketing, let me save you two years and about \$200,000, it's just one diagram.

Hey guys, this is producer Ben.

Sam has been in Europe, Sean has been in Hawaii.

And so we are going into the vaults this week for an episode.

We dipped way back into the vaults, this is from a couple of years ago.

And it is Sean laying out some of his favorite frameworks, favorite ways to think about entrepreneurship

and how to start and run a business.

And I thought it was really valuable.

And because it's one of our early, early episodes, it has very few downloads compared to what we get now.

So over 90% of you haven't listened to this before.

So we thought it'd be good to reshare it.

So check it out, Sean's favorite frameworks.

Hey guys, Sean here, going to try something different for this episode.

This is going to be 10 of my favorite frameworks.

As you guys know, I am the framework Don, the framework King, the prince of frameworks, and really just a nerd about frameworks.

And so over the over the years, I've tried to take all the lessons I learned building businesses and turn them into little nuggets that I can remember, little principles, philosophies or frameworks, whatever you want to call it.

And so I put 10 together and I recorded myself reading it.

This is like when Lucky Charms released the marshmallows only version of the cereal.

It's just the best stuff.

There's four techniques, four frameworks, and the four best philosophies.

That's 12 total.

I hope you enjoy.

Your to-do list is killing you.

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I used lists for years and I love writing the list.
But as soon as I put the pen down, anxiety would start.
And the longer my list went, I would just start collecting dust.
It would just serve as a guilt trip for all the stuff that I didn't do yet.
So even though lists feel good in the moment, they're not the best way to be productive.
One of the problems with lists is that they bury the headline.
In your day, there's probably one or two things that are way more important than everything else.
If you just did those things alone, your day would be a success.
It's that old 80-20 rule.
I call that my one big thing or OBT for short.
Instead of making a list, I ask myself, what's the one highest impact thing I could do today?
Take note, my friend, I said, impact, not difficulty.
Don't confuse the two.
And sometimes the high impact thing is just a 15-minute phone call or it's that one conversation I've really been avoiding with my key person.
That's it.
And if I do my OBT, the rest of the day, anything else I do is just gravy on top.
I have zero guilt once I've done my OBT.
It's a simple daily productivity technique that has made me way more productive and way less stressed.
By the way, those two things go together.
And I know what you're saying.
You're going to say, but what about all those things that I need to do?
Okay.
Well, even with an OBT, you sometimes have to write stuff down so you don't lose track of it, but not on a list.
Instead, use what I call the power box.
I think other people have different names for this, but I invented it for myself and so I named it for myself.
A power box is a, imagine like an X and Y axis.
This is a little bit easier if you just look at the diagram, but I'll try to describe it.
On the Y axis, you have impact, high impact on the top, low impact on the bottom.
And from left to right, you have not urgent to urgent.
And anytime I think of a task, like let's say, you know, I need to get a haircut, low impact, but might be getting urgent, you know, depending on the situation.
Or if it's, I need to find a tax accountant because I got to do my taxes in a month.
That's high impact and it's high urgency.
Maybe I have a big pitch or big sales presentation I need to do.
High impact and if it's tomorrow, it's high urgency.
If it's two months from now, I'll put it in the low urgency bucket.
You get the idea.
It's like a list, but it maps every task based on what matters.

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Time sensitivity or urgency and impact.

And when it comes to, when a new thing comes up, I just quickly triage it into one of these boxes.

It's very, I don't know, stress relieving to do that.

Then you know where it stands.

You know when to, when to get to it.

This is a powerful way to organize your day.

Whenever I start a new project, I make a kickoff doc and there's four parts to any kickoff process that I do.

Number one, I define winning.

Number two, I set my anti-goals.

Number three, I back at the envelope.

What does it take to get there?

And before, I figure out how to get one hour of momentum.

Notice what's not on this list.

I didn't say research or asking other people if it's a good idea or worrying if it's going to work or not or coming up with grand vision statements, you know, those come later.

Let me give you a breakdown of each of those parts.

So defining winning, I like to set clear, measurable goals.

So you know, you can say, I want to achieve financial success and not stress out about money.

It's not a great goal because what is success and by when, there's no time.

So you could also say, I want to have 5 million in liquid assets by the age of 35.

That's a good simple goal.

It's measurable.

It's time bound.

So now you can actually act against that goal.

The trick is to see, could I fail this?

If you can measure it, then you can fail it.

So how ambitious should you be with your goals?

Should you shoot for the moon or be realistic?

Trick question, do both.

I like to set two goals.

There's a good goal.

Like, if we hit this goal, then things went well.

And then there's what I call the fuck yeah goal.

That's pretty self-explanatory.

Some people call it a stretch goal, but I prefer my lingo.

This is what you, this is the goal.

If you hit it, you'd be excited about it.

You would say fuck yeah.

All right, part two, setting your anti-goals.

There's an old saying when it comes to deal-making, which is you pick the price, I'll pick the

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terms.

Basically, even if you get the price you want, if the terms are screwed up, you'll be screwed up.

So let's say your dream was to become a musician, and guess what?

You did it.

But while you're touring the world, you gain a bunch of weight, you get addicted to drugs, your marriages and shambles, your kids don't recognize you, you won the battle, but you lost the war.

I stole this idea from my friend Andrew Wilkinson.

It's called setting anti-goals.

These are the things that you don't want to happen along the way.

Write these down.

So now you got your goals and you have your anti-goals.

So step three, time to back of the envelope.

How might I get there?

I'm a big fan of running quick numbers on things early on.

Even when I have no clue how to achieve the goal, doing a quick calculation will show you some of the options.

Let's say I want to make a million dollars.

I can make a \$1 app and sell it to a million people, or it can create a \$100,000 product and find 10 customers.

The back of the envelope is meant to walk through some of the scenarios and identify which numbers seem hard to hit, the ones you're worried about.

That becomes my focus.

Okay.

That seems hard to do.

How could I do it?

How might I get there?

I start to brainstorm strategies to get to that number.

The last piece is getting one hour of momentum.

It's the most important step.

You never want to leave the scene of a decision without taking action.

So I end the kickoff by brainstorming things that I could do in an hour.

Not researching or planning.

Things like, can I talk to a customer right now or could I make a prototype in an hour and show that to somebody?

The whole process for this whole kickoff should take about one to two hours and it creates a ton of momentum.

Give it a shot.

This is one of my favorite frameworks.

It's called Big Mario Marketing.

The day you understand this framework is the day you basically know marketing.

If you're considering going to business school to learn marketing, let me save you two years

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and about \$200,000.

It's just one diagram and I know you can't see it, but I'll describe it.

So on the left side, there's a little picture of Mario, Mario when he's small.

And this is a potential customer of yours.

And then the customer, Little Mario is running along and finds this item.

The item is in this case a fire flower.

That's your product.

And when Little Mario picks up that item, he becomes Big Mario and can shoot fireballs and kick everybody's ass.

And the big mistake that most people make, and these smart people make this mistake, is they get so obsessed with their product, the thing they're building, it's the company, something they work on every day, that when they go to tell customers about it, they go to market their company, they talk about their product, right?

They talk about the fire flower.

But you have to understand that people don't care about you.

They don't care about your fire flower.

They care about themselves.

They care about themselves going from Little Mario, who's weak and can't really do anything, to Big Mario, who can run around, shoot fireballs and kick everybody's ass.

And so I don't care what you're doing.

Let's say you're selling breakfast bars.

You couldn't tell me about the granola and the bar and the carbs and all this good stuff, but instead you should tell me how this bar will save me 20 minutes in the mornings because I have a grab-and-go breakfast now.

And how I'll lose weight because you made this delicious bar with no carbs and no sugar added.

I repeat, nobody cares about your product, literally nobody, even your mom.

Your mom doesn't care about your product.

Your mom cares about you and customers care about themselves.

Everybody cares about their own quality of life improving.

So that's what you should do.

You should describe how their life will improve if they use a special little item of yours, the special product of yours, and then you back it up with evidence and social proof and explanations for why it works.

So I'll give you an example.

I have this thing called the All Access Pass.

It's where I blog about businesses that I'm starting.

And the reader, little Mario in this case, is somebody who wants to build a successful business, but it's not sure how to do it, right?

They have ideas, but they've never really been successful as an entrepreneur before, so they're unsure.

And big Mario is that version of them that's confident, that knows they can build a successful business, somebody who's seen it firsthand how to do it, and now is armed with the toolkit

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of tactics and a blueprint that they can follow to be successful.

So that's what I provide.

I give you a way to go from unsure to confident, and you're confident because I showed you how I did it, and I give you tools, and I give you tactics and a blueprint to follow.

That's it.

Now you know marketing.

So I have a little playbook that I use to get unstuck, and it happens, right?

You get stuck.

You have a setback.

You face an obstacle.

You hit a wall.

We have all these words for this.

It's just you trying to move forward, and it's not easy, and it can feel draining.

I call these plateaus, and when you're in a plateau, you feel stuck.

When I was younger, I used to overreact to these types of situations.

I would hit a plateau, and I would just feel worthless.

Like why can't I make this work?

And then I moved to Silicon Valley, and I got on Twitter, and now everywhere I looked

I just saw people crushing it, and it made me feel even more worthless.

I've learned that there are three ways to handle plateaus.

I learned this from Tony Robbins.

He says, you can be, number one, a dabbler.

A dabbler hits a plateau and gives up, moves on to the next one, right?

A dabble in this, a dabble in that.

The second type is what you'll encounter, what I encountered a lot of at work, or I went to a good university, and these are called stressor achievers.

So a stressor hits a plateau, gets stressed, checks some coffee, loses some sleep, and tries to plow through it.

They try to work their way to the bone to try to make it work.

This is the person cramming for an exam.

It works, but it's painful.

You're not going to enjoy the journey.

You're not even really going to enjoy the destination, because you'll be so worn out by the time you get there.

The last option is a master, and a master hits a plateau, and it greets him like an old friend, right?

A master says, ah, Mr. Plateau, I thought I'd be seeing you soon.

Because a master knows that plateaus are inevitable, they're a part of the growth process.

Why would you stress over the inevitable?

That's like stressing out every time the sun goes down each day.

So if you're trying to grow, you know plateaus are going to happen.

So a master creates a playbook or a recipe for how to break through, and I'll tell you mine.

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So step one of the plateau breakthrough recipe.

First, relax.

Plateaus are always a part of any growth process.

It is normal.

Number two, get in the right state of mind.

You know, you make better decisions.

I know I do.

I make better decisions, and I'm more creative when I'm feeling loose, when I'm feeling confident, when I'm feeling happy, and when I'm frustrated, or tired, or stressed, I make bad decisions.

It's just that simple.

So how do I change my mental state?

How do I change my state of mind?

I use the three M's.

Music, which is easy.

Put on music, and already your foot will start tapping, and you'll start to feel a little different.

Movement.

This is a big one.

A lot of people try to change the way they feel through their brain.

And that's like, you know, trying to open up a door, you know, using your fingernails rather than the key.

It's a very painful, slow way to do it.

So movement is a faster way to change your mindset.

You can do push-ups.

You can go do some wind sprints.

You can swim.

You can do jumping jacks.

You can do two to five minutes of any kind of high-intensity movement, physical movement, and you will change the way you feel.

You could even just do a quick ice plunge, or, you know, splash some cold water on your face.

It will change the way you feel.

And the last one, now we go into the head, is meaning.

It's putting a different meaning on what's going on.

So instead of thinking, shit, this isn't working, you reframe it, right?

Maybe you reframe it as, all right, this is an opportunity to try something new, or, okay, this is a signal, it's pushing me.

I got to get more creative to solve this, or, all right, let me roll up my sleeves.

This is a chance to sharpen up my skills and learn more.

It sounds a little corny, but the meaning you give something will totally change your response to it.

When you think you're getting screwed, you'll get angry.

When you think you're being challenged or tested, you might rise up.

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If you think the world is giving you an opportunity, you will approach that situation in a very different way.

All right, a quick message from our sponsor.

You know, I was thinking about the shortest day of the year earlier.

And while we technically have the same amount of time as every other day of the year, the lack of daylight makes it feel so much shorter, which is exactly the same kind of feeling as working with disconnected tools.

Our workday is the same length as always, but before you know it, we spent three hours just fixing something that was supposed to be automated.

Thankfully, HubSpot's all-in-one CRM platform can serve as a single source of truth for managing your customer relationships across marketing, sales, service operations with multiple hubs and over a thousand integrations and an easy-to-use interface.

HubSpot lets you spend less time managing your software and more time connecting with your customers.

Learn how HubSpot can help you grow your business at [HubSpot.com](https://www.hubspot.com).

My favorite one of all is, no matter how bad it gets, I say, this is going to make for a hell of a story later.

And just putting that meaning of this is a hell of a story in the making changes my own experience.

In two minutes, I can change my state of mind.

And when I'm in the right state, I start asking questions.

I don't look for answers.

I ask questions.

I say, what does the data tell me that's happening?

What's the evidence?

What is the evidence telling me?

Number two, I'll say, what's the stupidly obvious thing I haven't tried yet?

Or what would a friend or mentor of mine do in this situation?

What would somebody who's awesome do?

Another question is, what's a 20% tweak I could make?

What's a little change that would make 100% of a difference?

Another one is, who's already successfully doing this?

And what the heck are they doing differently than what I'm doing?

Lastly, who are three smart people I could talk to on the phone to help me solve this?

As a little sidebar, the name I use is Sully.

My friend Sully is probably the best entrepreneur I know.

And so I always ask, what would Sully do?

I've never seen him stay stuck for long.

He's always positive.

He's always thinking.

He's always making massive action and finding a way to win.

In fact, he literally texts me in the morning about five times a month just saying, let's win, win, win today.

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All caps, win, win, win.

I don't even know what he's talking about.

He doesn't even know what I'm working on.

That's just his mindset.

So whenever I get stuck, I start to feel that energy draining out of me.

I think, what would Sully do?

And just asking that question makes me 20% more creative and determined to win.

You don't even have to know the guy.

Just ask yourself that question.

Okay, the final step of getting unstuck.

Patience.

I'm an impatient motherfucker in general, right?

I used to take pride in that.

Patient, who wants to be patient?

Patient people just wait around doing nothing all day, right?

I'm not patient.

I take action.

You see, I viewed action taking and patience as opposites.

But then one day, like, you know, the modern day Buddha that I am, I figured it out.

I got wise and I said, okay, I need to be impatient with action and patient with results.

I'll say that again, slower this time.

Impatient with action, patient with results.

This is the yin and yang of entrepreneurship.

Follow this and you will win, win, win.

Like Sully says, it's just a matter of time.

Building an audience first.

You know, my audience is like steroids.

If I was you and I was somebody who watches me do what I do, I would think, man, this guy is able to do all this because of his audience.

It makes everything easier.

When I don't know something, I ask Twitter.

When I want to spread the word, I mention it on my podcast.

Having an audience gives you optionality to build many future businesses.

When I started my podcast, I had no idea I would be doing other businesses based off that.

I raised a startup fund from listeners.

I created a paid newsletter that makes tons of money.

And I could have never seen that going.

But once I created this audience, I had all these options.

And that's with my teeny, tiny audience.

Imagine if I was actually famous.

I can't even imagine how easy it is for Joe Rogan or Naval or Kylie Jenner or these

Youtubers to launch new projects or get their problems solved.

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They could snap their fingers, they could tweet something out, and people would come out of the woodwork to help them get where they want to go.

It took me one year to build my audience, and that was in my spare time.

If I had focused, I think I could have done it in about half the time.

If you don't know exactly what you want to build or what company you want to start, I recommend building an audience first.

Building an audience in a topic area that you care about or building an audience of a group of people that you know really well, that can be a great place to start.

And it can give you options when you do think of a killer idea.

You can start with a newsletter or a podcast or a YouTube channel, whatever medium is fun for you because if this stuff takes time and it's not easy and you don't get instant results, so it's got to be fun.

You have to enjoy creating the content.

Now, how do you actually build that audience?

That's a topic for another day.

All news is good news.

There's two big mistakes that I've seen founders make, and I've learned not to make these mistakes anymore.

I make some new ones, but I don't make these ones anymore.

The first is that bad news demoralizes them, and even worse is the second one.

Because bad news demoralizes them, they therefore subconsciously avoid looking in places where there might be bad news, which sometimes might be your company bank account or the metrics dashboard or going out and talking to customers.

But for us, all news is good news.

If I'm working on something and it's works, good news, it worked.

If I'm doing something and it's not working, good news.

I learned something from this.

I try to always create a culture where I want to see the data, whether it's good, bad, or ugly.

And the way to do that is to make it so that all news is good news.

This creates a habit where people start to seek out the truth.

They go look for the data.

They go try to talk to customers and see what they'll say.

Because no matter what happens, we're going to celebrate the finding.

When the news is bad, we don't panic or get demoralized, we focus on the learning.

What does this result teach us?

This sounds obvious, right?

This is a lesson I could teach a third grader.

So why did I put this as such a big takeaway?

Because in my experience, 98% of founders don't operate this way.

They write an emotional roller coaster based on good or bad news.

You don't have to ride that roller coaster.

Your entrepreneurial life will be more fun and more successful if you just adopt the

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mantra, all news is good news.

Work like a lion, not a cow.

I stole this from Naval.

I heard it and I loved it.

Today, we are trained to work like cows.

Cows stand on a field all day, slowly chewing weak and low nutrient grass.

Every day, the same thing at the same slow pace.

And this is how we're trained to work, right?

Nine to five, Monday through Friday, 50 weeks in a year.

Go to work.

Instead, we should work like a lion.

A lion sits, waits, observes, looks for its prey.

When it sees it, then they sprint, hunt, and catch it.

Then they eat, they enjoy, they celebrate, and they hunt as a pack.

And then they rest, they relax, and they wait for the next juicy prey.

This is how winners work.

It's high intensity and it's focused on the high value projects, the juicy prey.

And then there's frequent breaks to rest and recover.

You're not just grinding all day.

You're not just standing there working all day.

Your boss may not like this, but this is the way that winners work.

Work like a lion, not a cow.

We don't sell saddles here.

Have you ever heard the memo that the CEO of Slack, you know, 18 billion dollar company, he sent his employees before they launched?

If you haven't, you should check it out.

It's called We Don't Sell Saddles Here.

Go read that shit and come back to Must Read.

I'll try to explain it in simple terms.

If you're operating in a new or a niche market, you want to promote the lifestyle, not your product.

So what does that mean?

Let's put it differently.

Let's say you're a company that makes saddles, right?

Saddles is the kind of thing you put on a horse.

So rather than talking about how your saddle is better than the other saddles, and just marketing to people who already are in the saddle market and looking to buy a saddle, you know, they may already have one and they don't want to switch, and they never heard of your brand, they've heard of some other brands, instead, what if you promoted the lifestyle of horseback riding to the masses instead?

This is why the CEO of Slack explained, we don't sell saddles here, meaning instead of just selling their chat app, they sold a dream of working without so much damn email.

And if you sold that lifestyle of working without email, being buried in these long

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email threads, he offered an alternative.

You could use this live chat app.

And we put this into action when we were promoting our course, right?

We had a niche course, learning how to buy businesses.

Not many people were in that market to try to learn how to buy businesses.

So instead of selling the course, we started promoting the badass entrepreneurs who buy businesses, who have done it and built \$100 million empires doing it.

So we ignored our saddle, which is the course, and instead promoted the badass cowboys who like horseback riding, like Chamath or Andrew Wilkinson.

It worked way better.

People love to learn about this new lifestyle.

And then they start to ask, all right, I kind of want to go horseback riding, which saddle should I use?

And we were right there, ready to sell them our saddle.

This is a tactic that we stole from Brex.

We like to say a good artist copy, a great artist steal.

That's Pablo Picasso, that's what he used to say.

So like a great artist, we stole this sales tactic from Brex, which is a multi-billion dollar startup, grew really fast because they had tactics like this.

And we used this tactic to close about \$500,000 for our fund in two days.

We used it for fundraising, but you can pretty much use it for any sales process that happens over email.

So here's the tactic in action.

I'll show you an example from Brex.

So you have a sales agent from Brex who writes an email to a client.

And he says, hello, client, my chief sales officer asked that I reach out to you.

See below.

And below he has an email from the chief sales officer saying, hey, check out the prospect name.

Check out the prospect name.

They're not on Brex yet.

And I think we can help them.

Can you start with a call to the name of the person?

Offer to waive the credit card fees and get them on the accelerated rewards list if they're open to trying us out by the end of the month.

It's like a private email.

From the chief sales officer to the sales rep.

But the sales rep is sharing this with the client.

And now the whole thing is, he says, you know, my chief sales officer said I should reach out to you.

See below for context, Brex is a corporate credit card designed for companies like yours.

We don't require personal guarantee.

We offer high credit limits and we have the best rewards program available on any corporate

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credit card.

Do you have a few minutes for a call?

Now this is genius because it feels special.

It feels like you've been handpicked by someone with authority, right?

Chief sales officer had reached out to his own sales rep and said, go talk to them.

They look interesting.

It feels raw, right?

You got a forwarded private email.

You're not even supposed to see that email.

So you feel like you're seeing something real.

And it's friendly.

All the language in these emails is transparent, very friendly.

It's not like a normal cold email where you just feel like a robot could be writing this.

So here's our version.

You would say, hey, Blankety Blank, nice to meet you.

Sean saw that you signed up for the fund wait list and he wants to open up a spot for you.

See below.

I'm happy to share more details with you.

But just so you know, to invest, you have to be an accredited investor.

And here's a link to the deck if you haven't seen it and walk you through all the key points.

Give it a read and let us know if you're interested in jumping in.

And then below that, there's an email from me saying, hey, Ben, I saw that Blankety Blank signed up and his background looks really good for the fund.

He helped do X, Y, and Z.

This is just pulled from their LinkedIn.

Can you reach out to him and offer him one of the spots that just opened up in the fund?

Now this little tactic closed about half a million dollars in two days.

Great artist steel and keep an eye out for the great tactics that other people are using to put your own spin on it just like this.