

[Transcript] My First Million / Greatest Business Of All Time, Psy-Ops As A Service, Work Harder Not Smarter Hack

I want to tell you about what I think might be the greatest business of all time.
All right, we're live, bro.
We I've got a couple of things to cover that are pretty good.
I think you do, too.
Yeah, I'm luck.
I'm locked and loaded.
All right, do it.
What do you got?
It's amazing what not running another business will do to you.
So much so much time to work on this podcast.
OK, I want to tell you about what I think might be the greatest business of all time.
OK, the greatest business ever.
I think this is the greatest business ever.
And I'm going to convince you of that.
Let me let's just walk through the before I even tell you which one it is.
Let me walk through the criteria for a business like this.
OK, so if we were going to describe the greatest business of all time,
what would be some of the you got to have attributes?
What would be some of the attributes?
So the lifetime LTV, high, high LTV.
So you want a customer around for a long time that pays you for a long time.
OK, great. What about like, let's say I told you there's a high LTV business,
but it's only been around for 18 months.
Well, you'd be like, I don't know, not a long operating track,
track record or history here.
So you want longevity, right?
You want longevity years.
What if I told you this business may be been around for a thousand plus years?
Would that be something you'd be interested in?
OK, let's get something.
Are you going to tell me there's tax tax advantages to these?
This business doesn't pay any taxes.
OK, I love this. No taxes.
How does that sound? I like that.
I like it even better if the government would subsidize it.
That's the thing. But yeah, that sounds great to me.
I like that kind of his mom had to come back out for this one.
OK, cost structure.
What have I told you?
You basically don't employ anybody.
Volunteers do all the work and there are franchisees,
essentially that pop up to sell your product and just pay you a royalty.
Wouldn't that be quite nice?

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I'd say hallelujah. I love that.

What if I told you, you know, you might say, well, what's the balance sheet look like?

OK, you've told me the P&L is fantastic.

But what about the balance sheet?

Well, what if I told you that this this this product, this business has not just billions of dollars, but but often tens of billions or hundreds of billions of dollars in assets on the balance sheet with no liabilities? Wouldn't that be something you'd be interested in?

I would be very interested in this. Yes.

OK, I pray to God and I would thank that God that they gave me this idea.

You're a product guy. You love product.

It's all about products.

Hair products, any product, any type of product, you love it.

This is a product beloved by millions, has insane product market fit.

People use it daily, weekly.

They don't even need an app.

They could just use it in their head.

Is that good?

Even if there's evidence that it's a bad product.

If if if somebody said, hey, there is no proof that this product works, they they would not care.

They would not care.

They would not hear a word of that.

They would like it even more, baby.

In fact, in fact, it drives them together.

What if I told you this product spreads by word of mouth?

What if I told you that some people would not only teach their kids, but they would leave their house, go to other people's houses, knock on their door and tell them about this product?

That's how much they believe in this product.

What if I told you to help them be true?

Core issues, their morals, their ethics, their community, their self-development.

What if I told you that the product is so good

and not just guarantees you a good life today if you use the product, but not but in your afterlife, when you die,

you might go to a nice special place where you'll be happy after you die.

That's how good this product is.

Internal LTV.

I'm in.

What if I told you it touches every part of your life cycle

from when you're a baby to when you're old and dead,

how you pay for your funeral and everything in between your marriage,

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you know, give away part of your salary to this to this company just because you feel like it and it's a part of everything in between.

What if I told you this this company not just sold this product, but also had the number one bestselling book of all time?

This sounds like the Crips and Bloods like a gang, but even better.

Be your blood in, blood out.

I love this.

You love real estate.

They also own a shit ton of real estate.

So tons of real estate.

OK, so let's let's review billions in revenue tax free

with basically no customer acquisition cost and super, super high LTV.

It's a product that solves a core need spreads via word of mouth

and the people who use it believe it and use it day to day, day to day, week to week, month to month and they're willing to die for it.

They're willing to die for it.

People run this business with volunteers and franchisees.

It lasts for a thousand years, has network effects.

It sells an information product.

There's no manufacturing even involved.

It's got the number one book of all time and the TAM,

the market size is every human from birth to death.

How would that sound?

Because religion is the greatest business of all time.

And I want to tell you why I got excited about this.

But how was my rant? That was good.

I knew where you're going because I'm, you know, like I'm born and raised Catholic.

I I I catch your you're stepping in.

I'm all about that. You smell what I'm farting, you know, you pick up on that one quick.

So I wanted to talk about this because there was this news article

that came out or like there was like a wave of news about this recently.

But actually, there was like a whistleblower thing in 2019

and Ben Wilson, you're going to have to come on to talk about this.

All right, let me take a quick ad break

because I got to tell you about some podcasts that I think you might like.

The Gold Digger podcast by Jenna Kutcher.

It is brought to you by the HubSpot Podcast Network,

which is your audio destination if you're a business professional.

Now, Gold Digger is a podcast that helps you discover your dream career,

gives you productivity tips, social strategies, business hacks,

inspirational stories and so much more.

So there's a couple of different episodes that you might like.

One is she got laid off and launched an innovative virtual assistant company.

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So Jenna talks to Bobby about how she launched a virtual assistance based business and the challenges that she had.

You know, launching it, knowing how to give up control, why a VA can be totally game changing for a business and how getting started as a VA is as easy as applying online.

So go ahead, check out Gold Digger.

You can listen to it wherever you get your podcasts.

All right, everyone, today's episode is brought to you by marketing against the grain.

If you want to know what's happening in marketing, then this is the podcast for you.

The hosts are Kit Bodner, who's HubSpot's CMO and Kieran Flanagan, who's HubSpot's SVP of marketing on the pod.

They share their unfiltered marketing expertise.

One of my favorite recent episodes was called why creators are disrupting marketing.

Kip and Kieran talked to Steph Smith, who's been on my first million a ton about all things creator economy.

They ask her how you can find a niche audience, how to create great content for them and how to monetize that content.

And if you know Steph Smith, you know, there's no one better at that kind of stuff.

So if you love marketing, you want to know what's happening at the cutting edge of the world of marketing.

Go listen to marketing against the grain wherever you get your podcast.

Sam, have you heard the story about how the Mormon Church has a hundred billion dollar hedge fund?

Yeah.

That caught my eye.

Yeah, that's old, right?

That's from 2019 or 2012.

2019, exactly.

And Ben, you are, I don't know how to explain it.

You are Mormon.

You are a member of this great business.

You are a patron of the business that we described.

First, so far, Ben, have I offended you?

Not yet.

OK, great.

Let's fix that.

Keep going.

So you're saying that it's a chance.

Second, Ben, can you explain this hundred billion dollar Mormon Church fund and what your reaction to it was when this dude broke in 2019?

Yeah. So essentially, the Church of Jesus Christ, the Latter-day Saints, popularly known as the Mormon Church, tithes its members.

So we all pay 10 percent of our income to the church.

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Not only that, the church also has a number of businesses associated with it. And a lot of this comes from over a hundred years ago, when essentially the Mormon Church controlled Utah. So it spun off a lot of those businesses.

It basically doesn't run businesses anymore.

But what it did was create basically a big hedge fund.

And because of its association with the church,

that hedge fund does not pay taxes and has done really well

and now is worth, as you pointed out, over a hundred billion dollars.

Yeah.

Could the hedge fund be invested in just public equities as well?

Yes, they do.

Like, can you just do normal?

Well, basically, here's what the here's how the hedge fund works.

So it owns 40 billion worth of US stocks.

So companies like Apple, Microsoft, Facebook, things like that.

They can't own stocks that are like Caesar's entertainment or like Starbucks.

They don't they don't own that because of the caffeine or whatever.

So they they they select some.

But don't they own a Coca-Cola?

Is that a myth?

They own Microsoft, Apple, Facebook, they own Tesla.

They made eight million dollars on the GameStop squeeze when that was happening.

So that was pretty cool.

They also own 2 percent of all the land in Florida, which is kind of amazing.

They basically grew from 40 billion to 100 billion just from 2019 to today.

Or sorry, that was from 2012 to 2019.

So like in a seven year period, it kind of doubled there.

They also invest in hedge funds.

They own a hundred million dollar hotel at Maui.

They outbid Bill Gates for like 200 million dollars of land in Washington.

So land, stocks, hedge funds is what they do.

And then they've donated 64 million dollars to charity since 1985.

So that's kind of where the knock on this comes from, which was the the the complaint was basically, wow, that's a lot of money.

It's just like, why are they're homeless when you all got this?

That's like that.

And why are we giving 10 percent of our income when maybe I actually need that money if it's going to this massive stockpile.

And then that's not being redistributed to this.

And then the answer was like, they called it, this is where there's some all-time, all-timer lines.

I got to give credit to whoever these people are in the church

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that are giving these lines out.

I mean, to say these are the straight face is amazing.

They go, it's a rainy day fund.

So this hundred billion dollar fund is a rainy day fund.

And actually it did start out like that.

That was the initial intent, I believe, like in the 70s or something like that.

When it started, it was like, all right, for every six dollars we get, we'll put five towards operations and furthering the mission.

And we'll put one away for the rainy day fund.

But maybe it's still a rainy day.

It's just their household now has 100 or 200 or however many hundreds of millions of people it is instead of whatever it was.

But there's not that many members.

I think there's been how many members of this, like 16 million members or something like that.

It's not that that's all park.

Yep.

Yeah, it's not that many members.

Overall, they this thing is just sort of ballooned up.

And so I think they don't know exactly how much members contribute every year.

Some one guy said seven billion in the whistleblower report, seven billion.

There's like some historians who think that's too low.

It's probably closer to 30 billion gets contributed in per year.

So there's a lack of transparencies.

That's the second complaint, because not only was this not openly discussed, like that's why a whistleblower had to come out and say, hey, there's this management company called Ensign Peak.

And Ensign Peak is getting the money from the Mormon church and deploying it.

And Ensign Peak is now has a hundred billion dollars in a management and they're not being open about this.

And they said, well, we didn't want people to know how much money is in there because then they might not feel like contributing.

So that was the first, the first line.

And the second one was like, well, how come you did it through these like 13 shell companies so that nobody could track, you know, what you were investing in and how and you bought this mall and you bought the stock.

What's going on here?

They said, well, we obscured it because we didn't want our members to try to copy Ensign Peak and maybe they would mismanage their funds, not having the same info that we have.

And so these are just like, I just love the, you know, the sort of the repartee here between between people that were running this thing.

So I thought this was kind of amazing.

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And it was just staggering that they've accumulated this much wealth from a very small base of people.

And that's why I kind of had this realization.

Oh man, religion really is the greatest business ever invented.

And there's five big ones and then they sort of dominate in the same with the same sort of, they all share these same benefits and characteristics.

You're Hindi or Hindu?

Are you at nothing?

I don't, I'm not, I'm not a believer, but yeah, like most people in India are Hindu.

And is there no central hub?

There's no organization, you know, like the Catholics or the Mormons have like a, like a crew, you know, you don't got an HQ.

I don't think there's, I think it's more decentralized than that.

So I don't, there's no like the church.

Nobody says that.

I don't know, I don't know if that means there's not one or what, but there are many, like temples that are sort of like the Vatican that get tons of donations and people make the pilgrimage.

And there's tons of, you know, shadiness around that too, where like, you know, we went and you're in line on this mountain to get to the top to see this like statue.

And then it's like, hey, a hundred bucks, cut the line.

And it's like the guy who's taking the bribe essentially, the cut, cut money.

He's like a priest.

And so they don't even like obscure.

It's like the guy comes down in his robe and is just like, oh yeah, your family, your family, come here, come here.

We want to give you a special treatment.

You know, do you have something to donate?

And then you're like, yes.

And then he's like, cool, cool, cool, come to the front of the line.

And they found like these guys have gotten raided and they're like these gurus and sort of like, you know, leaders of these temples.

And they have like, it's like, oh, open up your master bedroom.

And it's just like piles of gold.

Yeah, just like, you know, it's like gold storage facility actually.

It always, so I went to Catholic school my whole life.

So K to eight or no K to 12, and then I went to another religious college.

And so we used to go to church three times a week, Catholic mass three times a week.

It was like Monday, Friday, Sunday for since I was eight till I was 18.

And every week your mom and dad write a check and they like someone comes around and like collects it.

Right.

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And I remember hearing about this like all powerful God and how smart he is.
And like, you know, this guy's the greatest, you know, he's just he's brilliant,
you know, like he created us.
And like, you know, we just came from his hip and all this stuff.
And like, we're just magical.
Like this guy's magical, but he's really bad with money.
You know, he needs and he needs more of it.
He needs more of it.
And he's just he can't get enough of this money and he's really bad with it.
And if he loves you, but look, if you don't give him money,
you're going to go to hell when you burn for all eternity forever.
But he loves you and he needs fucking money.
I was like, that's fucking God, man.
It's like the worst uncle ever.
Yeah, he just needs money come scrunching his neck.
He's like, hey, man, yeah.
Oh, yeah.
Like what do you got?
I think anything you got, you know, literally just give me change.
You got change.
I'll take a change.
You got to check.
I think a check and now you can even Venmo and I just remembered being a church every
Sunday thinking this guy, man, he ain't so good with money, but he's all knowing.
But he doesn't know which stocks is short because he cannot figure this out.
He needs more money.
There's also another little side thing before we get off this religion tangent.
Ministry Brands, have you ever heard of this PE firm?
Yeah, yeah, yeah.
Are they the ones who buy software companies for churches?
Yeah, they've rolled up 30 30 church related software businesses and it
does a hundred million in EBITDA.
So a hundred million essentially in a profit before taxes just on this rollup,
which is kind of amazing.
I mean, it's sort of a billion dollar, billion dollar church rollup,
which is church software rollup, which is pretty awesome.
All right, I have a story for you.
Well, let's stick with scandal and like a negative stuff because I got a good one.
By the way, one disclaimer, the product of religion genuinely is great.
It genuinely helps people.
I'm also just saying that the business of religion, I think is amazing from a pure
business point of view and also a little sketchy to me.
But I think the product is amazing and the believers, you guys are awesome.

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And then you're awesome.
You're super awesome.
And I hope we didn't offend you.
I have you didn't offend me.
Still haven't offended me.
But I just like final word on this, which is kind of the Mormon perspective on our hundred billion dollar hedge fund, which is ours.
The leaders of the church.
So like the prophet, the apostles, their salaries got leaked by some people who were disaffected members of the church who wanted to make them look bad.
Yum yum.
Tell me more.
What you got?
You guys want to guess what the salaries were?
300,000.
That's pretty good.
Yeah.
I would have guessed 200.
200.
Also close.
170.
I believe it was \$170,000 a year.
And they get like a car, which is usually like a Toyota Highlander.
Why a Highlander?
That's it.
That's like the.
So specific.
Is that like Pius?
That's like that.
Like they've decided.
I don't know.
They just own a bunch of Toyota stuff.
Can't put soda.
Can't put soda in it.
You know, these people who was getting this, he was a clergy.
So he, you know, he's a Stanford MBA.
It was making a bunch of money.
They asked him, would you come work for the church?
So he takes, you know, like a 90% pay cut and goes and makes this.
And he had a, he's driving around to, this is my point.
Toyota Highlander, just like very middle class.
And so the point is no one's getting rich off of this.
Even the people who manage the hedge fund kind of get paid below market rates.

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Right.

They get paid fine.

They get paid well, but less than they would make it.

Other big hedge funds that are doing equally well.

That we know of cause cause with the Catholic thing, it's a little bit different.

Right.

The Catholics on the Catholic side, it was like, oh, this, whatever, Bishop took 17 private jet rides last year and blah, blah, blah.

There was like a bunch of things like that.

So, so maybe in this case it wasn't, or maybe it was more obscured where the benefits come from and not just so obviously on payroll.

Like, but, but I know that with other religions that also have a big balance sheet also have huge revenues and tax exempt status, the perks were sort of substantial.

But this is why it seems like it's a bigger controversy outside of the Mormon church.

And within it, a lot of people like myself, we hear about it and we're like, well, I wish it was 200 billion, you know, like it doesn't bother us that the church doesn't.

Oh, doubling down on it.

Yeah.

Take 20% of my income.

Dude, well, not everybody.

I mean, one guy sued, you know, one guy famously was suing them for five minutes.

I want all my tithing money back because I was basically under the impression this was going to help people or like expand the church.

Did he get it?

And it wasn't issued for \$5 million.

And I don't know if that's been resolved yet.

Let me, let me tell you another interesting, the controversial story.

So we talk about software as a service.

We've talked about SaaS.

We talked about a few other type of as a service products.

I'm going to talk to you about Syops as a service, meaning psychological warfare.

So I found this article that blew my mind and was totally underplayed.

And I thought not talked about enough.

So I'm going to be recanting a bunch of this story.

So nothing here is crazy original, but this starts in the summer of 2022.

And a bunch of journalists from all different newspapers kind of teamed up to write this story.

They went undercover and they found this company.

It's called team.

It's, it's pronounced.

I actually don't know how it's pronounced, but it's J-O-R-E.

So maybe Jorge, I'm going to call it team George, like George, like George Mosvital.

But we're going to call it team George, but it's team George.

And it's this Israeli company that does Syops as a service.

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And so what that means is you can give them one to \$10 million and they'll basically hack stuff for you.

And this company, it's based in Israel.

They have employees.

This isn't like, uh, like the guy who runs it has a LinkedIn.

This isn't like a criminal enterprise necessarily.

This is like a legitimate company.

And I want to tell you this crazy story.

So it starts off, they're a private, they call themselves a private intelligence agencies.

They charge anywhere from \$50,000 to hack someone's phone, \$400,000 to have their services on retainer,

\$6 million to get involved with an election.

Six million to meddle in an election.

This is hilarious that that's on the menu.

Dude.

And the guy gives like these crazy stories.

So the guy's name is named as Tal Hanan.

So he's the guy, he's like the CEO, the founder.

And he does this like crazy stuff.

And so basically the three step part process is to gather intelligence, construct a narrative and then deploy maximum impact.

All wonderful phrases.

And so I'm going to give you an example.

So this guy, Tal, he's the head of team George.

He's in Kenya with these journalists who he thinks work for an African government who wants to hire them to do some work.

And at the seminar or at the meeting where he's pitching his services, he shows his phone.

And he's talking to a person who's supposed to be an African government consultant or something like that.

And he goes, here, look, check this out.

I just sent your mom a few messages from your telegram account.

And the guy's like, why?

He goes, yeah, here's my phone.

Look, I'm logged into your telegram account.

I hacked you already.

And so they do these crazy things where they offer these ridiculous services.

So they do, they have this tool called a profiler.

It can create all these different fake social media accounts.

And so what they'll do is they'll figure out what story they want to country, like who they want to hurt, what story they want to construct.

And then they use these fake social media profiles to make it really popular.

And they have something like, I think it was like 50 or six or sorry, 39,000 of these profiles out there.

And so here's like a handful of crazy stories.

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The team claimed to have a sex toy delivered via Amazon to the home of a politician with the aim of giving his wife the false impression that he was having an affair.

Thank you, my love.

It was a wonderful night waiting for you whenever you come back, read a note inside the box.

The wife received the package and then the team, George, they sent a film crew to film this and they found the politician sleeping in his office for the next two days.

And they found out who the sender was.

It was this woman named Shannon.

And I think she's one of their fake avatars and they found out who she was and she's active on Twitter and on Facebook and as a Gmail account and WhatsApp account.

But I don't believe this woman's real and her Amazon card was connected to a digital wallet so they could like track all of this.

And so that's like an example of the things that they do.

Another thing that they do is to prove the journalists to prove how powerful these guys are.

Do you know who Emmanuel the emu is?

Do you know who that is?

Have you heard of that person?

No.

All right.

So there's this tiktok, this lady who's got a tiktok and she's wonderful.

I followed her forever and she has an emu.

You know what an emu is like an ostrich looking thing?

Yeah.

Like a pet emu that went viral on tiktok and she talks to the emu and his name's Emmanuel.

Well, the journalists asked team George to make it go viral that Emmanuel was dead.

And so overnight they did that.

By the way, really weird request by the journalists.

What the hell were they thinking?

I don't know.

It's just weird.

They're weird.

Super strange choice makes zero sense.

And it got to the point was where this woman who owns Emmanuel the emu who I follow.

I love her.

That's why I found this article.

I saw the story where they're talking about Emmanuel the emu.

I've loved Emmanuel.

I know all about him.

I own an Emmanuel the emu t-shirt.

For real.

She tweeted, today I saw online that RIP Emmanuel the emu was trending on Twitter.

So I just want to let you know I ran outside to check what was going on.

He's totally fine.

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I have no idea why this happened.

Right.

But this company, they like create all these crazy stories.

Well, they'll be like, Hey, you know, one, one company will be like, Hey, the CEO of this billion dollar company, we need a front.

We need something bad to happen to them.

Find some dirt in their past.

And what they'll do is they'll hack into a person's Gmail or Google drive using that will find passwords to all these other things.

And they'll create these crazy stories.

Then they'll use their network of 20 or 30 or 50,000 fake social media profiles to share all this stuff.

And then they'll also bribe some journalists or create fake blogs where they'll write these stories.

And then the avatars or social media profiles share that stuff.

Crazy fascinating.

And I read this article and it blew my mind.

It absolutely blew my mind.

Yeah.

This is really, really wild.

And the, you know, psyops, I thought was like, when you use like the social media thing or articles to influence somebody's beliefs, not just like, but like hacking their phone is sort of different.

And so, so it's interesting that they do both.

I have a couple of quick reactions.

Number one, prices seem really low.

I feel like they seem low.

Yeah.

Team George, triple your prices.

This is, this is a small but we still for what you, what your, the value you're providing.

I mean, it's, it's only \$6 million to meddle in an election.

That's it.

Like, you know, I've taken shits bigger than that.

Come on.

Look what's going on here.

So, so I don't really understand their pricing.

50,000 to hack into a phone, you know, much chaos you can cause by hacking into someone's phone.

That seems wild.

So I think that's crazy.

Good find that this business exists.

That's my second reaction.

And my third is this kind of lines up.

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I think I've, I feel like this is a thing on social media that you sound like a conspiracy theorist.

If you bring it up, but it's clearly going to have, it clearly happens and it makes total sense that this would happen.

I also know that this happens in the like non election, you know, this is basically also done for influencer marketing, right?

Like, we've talked about my buddy Steve Bartlett and how he used to own a huge number of Twitter pages and he would own pages that had nothing to do with anything.

It'd be like, you know, Hermione's favorite books, it's like some Harry Potter fan page and they would have like freshman problems.

They would own that page and like things I overheard in Manchester, they would own that.

So they own a bunch of things that if you were like a 14 to 21 year old in the United Kingdom, you followed probably, you know, four to eight of their accounts.

And so what they would do was when we wanted our app to go to grow and to our goal was to go get a bunch of downloads for cheap.

We worked with him and I was like, all right, Steve, what can we do to grow this thing?

He's like, well, we can use my network.

And I was like, great.

So just say, you know, hey, this is a great app, download it, you know, blah, blah, blah.

Here's the link.

And he's like, just looked at me like, okay, you know, get out of here, get out of the room, dad.

I don't understand.

And he was like, yeah, we're not going to say this is a great app because nobody cares.

And that looks like an ad.

We're going to say like, my mom's reaction when she sees me checking Bebo for the 43rd time that day.

And then it's a mom slapping a kid.

I was like, oh, well, I don't think that's a good image for a new app.

And he's like, no, he's like, do that.

And then be like, you know, my notifications blown up because of this annoying effing Bebo app.

47 notifications, like, but you're calling it annoying, that seems bad, right, Steve?

He's like, no, when somebody sees that there's an app that has 47 notifications, they want to know what it is and that you're complaining about it, makes it look like not an ad.

And I was like, but then where are you going to find the link?

He's like, I put the name Bebo in the thing, they'll go, they're going to search for it.

And he's like, then they'll search for it and then they'll find it and then they'll share it because they saw seven.

He's like, when you hear five people talking about something on social media, the same thing in a day that you hadn't heard about, it feels like everybody's talking about it.

And that was his core insight.

We called this the thunderclap and we did it and we ranked number one in the app store.

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Wait, wait, wait, wait, thunderclap is like the name of going, getting popular.

Yeah, that's what we call it.

When all the accounts start talking about it at the same time, that's a great name.

On the same day.

Yeah.

Thunderclap, who made that up?

You make that up?

Well, I used to say that when like, you know, it's, you know, if your thighs get together or something like that, it's a thunderclap and I just decided to reuse it for a better purpose now.

For when your thighs get together.

We made that up, but I think it is actually a social media term.

I remember looking it up because I was like, oh, this is genius.

What do you call it when all the accounts on the same day just flip on and start organically talking about something like, what is that?

And some other person had made that up.

So I stole that name off them.

But basically that's what, that's what these guys were able to do.

And he used to, and we've talked about this before, so I'm repeating a story here, but like, he gave a talk once on stage and goes, watch this.

This is, you know, whatever I've made up a name like Freddie D.B.

Freddie D.B.

He puts him on, he puts a slide on the screen of him wearing like, you know, a Manchester United uniform.

And he goes, Freddie D.B. just signed with Manchester United for 72 million, one of the craziest contracts for a prospect who's only 17 years old.

Oh, but the thing is Freddie D.B. doesn't exist and he never signed a contract, but watch this.

We're going to make this go viral.

Just by the end of my talk, this will be trending on Twitter.

And like nodded to like, you know, one of the like 19 year olds that worked for him off stage goes, they like, like launched the missile.

And that's exactly what they did by the end of the thing.

It was trending real like, you know, sort of like ESPN type news sites started picking it up.

Like Freddie D.B.

Signs for 72 million because like, they're all trying to find information on it, but they just published first because they don't want to be late to the news.

And it just showed how much influence you could have.

And so this happens, I think, from a commercial for like, you know, just in the business world, plus in this case, for like, you know, political power shit.

That's wild.

What a badass presentation.

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Steve, that's like, that's a really good presentation.

I mean, that's like my time swagger, like the swagger knob is broken, it's just stuck on 12.

There's nothing you could do.

We've tried to take him into the shop.

The hustle, we now are read by about 3 million people a day.

So we're not a big deal.

And we're definitely not like influential enough that one of these companies would be like, let's get that company to influence the masses.

But and like, same with this podcast, like we're not, we're not a big enough deal or we're a target where someone's going to rally, I don't think so, where someone's like, I'm going to trick them into saying this, because then they're going to like actually have influence over the outcome of whatever we want.

We'll make your analytics guy say, what happened today?

But that's it.

Yeah, like it might be a little bit of note on like your spread, your spreadsheet for that day.

But that's the at best.

That's it.

But like, I would see a little bit of this like fake news stuff, because I would do little tests.

So my parents do this all the time.

They'll look up a celebrity and they'll say, Oh, Nick Cannon, only worth \$8 million.

That's not even a big deal.

And I'm like, you guys, like, and like, they wouldn't even like click the article sometimes.

They just see like the paragraph text and and I'm like, or they'll be like their day today or this past weekend, I was with my father-in-law and he's like, Oh, look, if you Google it, it says the worst way to sleep is on your belly.

And it's like, because we're talking about the one answer.

Yeah.

Yeah.

I'm like, you guys realize like, like anyone can write these articles and I can make them show up.

And so I used to write these articles about net worth.

So like Ross Albright, the Silk Road guy, I would write an article about his net worth.

I would just fucking make it up.

I'd have no idea what it is.

I would just make it up and I would track my analytics and people would start linking to it and I would start getting traffic.

And that happened a lot of times or there'd be times where I made airs in articles and I noticed I would see that same air and on a few other people's websites and you start seeing, wow, this is how it starts like these little things is how it starts.

And so this whole fake news conspiracy, it's one of the few things where I'm like, no,

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there's actually truth to that.

Like, and I have very small examples of that, but if you're like a much bigger deal, you can find lots of bigger examples of that.

It's actually, this whole fake news thing is, it is 100% real.

And so this story is definitely proof of that.

Dude, as soon as you see how the sausage is made in any industry, it just really ruins it for you.

I remember when we were doing our restaurant startup, we were like, dude, we don't know anything about restaurants.

Like how does a restaurant even work?

Like, what are we doing?

And we had learned a little bit about sushi because we're just sushi restaurant.

But I was like, Dan, who's my, our business partner was like my brother.

Raw fish seems like the best, the best platform to learn, by the way.

Yeah.

Yeah.

Exactly.

Of my favorite sport, Russian roulette.

So we were like, Dan, go work at noodles and company and go learn their like process stuff.

And he's like, all right.

So Dan graduate, this Duke graduate goes, applies for a job at noodles and company.

They're like, wow, son, you, you interned at Goldman Sachs and now you're here.

He's always been a dream to be on the back line and they, they, whatever.

And so he used to bring home noodles and company every night.

So he's like, he's like, bro, the, the way they make this, the way that he's like the amount of salt in this.

And he had this like, this guy that worked, this guy who barely spoke English that worked back in the, you know, like a line cook with him.

And Dan was like eating the tomato soup and cause he's like, I'm going to eat.

He's like, I don't want to get like super fat.

I mean, I guess I'll just have the soup.

So he's like, put the soup in a bowl and the guy just like knocked it out of his hand.

And he goes, no, don't eat the soup too much salt, he's like, he showed him like when they make it, they just like take a salt thing and it's like, is it measured in grams?

No, it's measured in seconds.

What do you mean?

It's second.

It's like, how long do you hold the lid with the can upside down pouring salt and it's like 17 seconds worth of salt.

And so he used to tell us like, dude, don't eat the ship.

And that's how I feel about everything.

Like when we sold the milk road to Mike and Kendall, these guys are, they come from an

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affiliate marketing background.

And so what they do is they make websites that are like news or blog sites that rank at the top of Google.

And they're the authoritative sample.

Like they were doing it for gold buying gold online.

And so they were like, should I buy gold or the price of gold over time or should I buy gold coins or bars?

And so whatever question you would ask, they wanted to be the number one result.

The other guy did it in for, for sports betting.

So it would be like, you know, is it legal to gamble in the state or like, you know, what's the best place?

What's the best place?

What's the safest place to do X?

And so there you go at doing this and good one.

So as I met them and I was like, okay, so who else does things like this?

And it's like, dude, have you ever Googled anything?

Like every top result in Google is the same model.

Like, oh, you, you're worried about that, whatever, like that, that thing on your elbow.

Yeah.

Google that.

Oh, you found health line.

Cool.

That's a great website.

Right?

Super helpful for you.

No.

You're making a medical kind of decision on whether to worry about this or not.

Off of health.

It's all by an SEO company.

Red Ventures.

Yeah.

It's like, oh, this rolls back up to Red Ventures.

And so does this credit card website.

And so does this other thing.

You want to know what's the best credit card?

Don't Google it.

You want to know what's going on with the health?

Don't Google it because not only is there model that they're just going to write whatever's going to rank and then when they rank, they're going to promote whatever they get paid on as an affiliate.

And they'll try to say, no, no, no, we just say that what's the best and if they happen to be an affiliate, they happen to be an affiliate, but we don't let that affect our editorial ranking.

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Yeah.

Right.

Bullshit.

That's how you make your money.

You're going to promote the things that'll pay you a bunch of money.

And so we used to have like a TV in our office, which the person who had the most page views that day, like things like that.

So it's like, what does that make the writer's room do?

Oh, you better get more page views.

Get more page views.

Like I don't think it's a dirty thing.

Like I don't think there's a malicious intent.

It's just had natural incentive is all I'm saying, which is that if your natural incentive is that one company does not offer you an affiliate deal and the other one does, you're probably not going to put the one that doesn't give you an affiliate deal as the number one best choice.

You might put it as number four, right?

And so the editorial thing has been slightly smudged with that.

And so you see this with everything and then you're like, okay, cool, so who's writing these articles?

It must be like, you guys have all these doctors on staff or not a chance as an SEO specialist in Upwork.

Yeah, exactly.

You know, this is Jorge and, you know, he is the guy writing our best articles.

And, you know, we pay him \$19 per day.

I'm just making all these numbers up, but like you get the idea.

This is like, it's basically what ranks in Google is somebody who understands how to rank in Google, which is not the same thing.

It's the person who has the right answer.

And once you see how the, how the content gets made, once you see how the tomato soup gets made and it was a company, you become very, you know, suspicious or skeptical of things, which has, you know, pros and cons, I would say.

All right.

Well, sorry, everyone.

So what do you got next topic?

What else do you want to shit on?

Okay.

Let's do a quick one.

And then I have another one.

I put this thing in here.

The work smarter, not harder hack.

I said that to you.

You said this.

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Okay.

This is amazing.

Explain what this is.

No, you explain.

You just need to do something fun.

I said this to the group chat because I thought it was hilarious.

This was really funny.

A guy at bar still retweeted this, but there's kind of an ad.

So there's a tweet.

We will, we'll play it in the, in the YouTube video if you see it, but like, basically there's a guy who goes out to like a party and he's just looks like he's wearing no shirt.

He's just like in Miami, somewhere it looks like, and it looks like he's live streaming.

And so he goes up to this girl and she's like, no way 50,000 people are watching this.

Oh my God.

And then he's like, yeah, what's up guys of all they want to know what, what's the craziest place you've ever been.

She's like, um, um, she's like panicking because 50,000 people are watching.

And then she's like, how are you so famous?

Yeah.

And he just like doesn't answer or something like that.

And then he just does, it's a montage of a bunch of people reacting.

He's like going into the club and he's like, yo, what's up, y'all?

We're at this place.

And the guy's like, Hey, go ahead.

VIP.

And so basically it's all fake.

It's just a fake live stream screen.

And so it just looks like you're live.

It looks like you're on IG live.

It'll say live.

It'll show 50,000 people are watching this.

The comments are flooding and you look like you're some sort of celebrity, but it's that's all the app does.

It's called parallel live.

I think it's a real app, by the way.

It's real.

I'm on it right now.

Yeah.

By big brains, LLC, work harder or sorry, work smarter, not harder.

Yeah.

That's like the whole thing.

I try not to get jealous anymore, but I'm jealous.

I didn't think of this app to be honest with you because by the way, I did this when I

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was younger.

So a version of this that made sense back in the day where we paid a guy to walk around with a camera behind us, like we were on a reality show, like an on the shoulder camera.

And we were like, dude, I bet you like, you know, we won't need to do anything tonight.

We don't need to pay for stuff.

We don't need to approach people.

We don't need to wait in line, watch.

And it's sure, sure enough, it played out completely that way.

And so I was sort of onto this idea, you know, more than 15 years ago now.

And I think this is so smart.

What a great idea.

Dude, my best friend, Neville, so you can Google this.

So Neville, Medora, so N-E-D-H-O-R-A.

So Neville, Medora, one year during South by Southwest.

So Neville is Indian, but he's from wherever part of India he's from, he looks Persian.

So one year he he wore like like these stereotypical things that you see in the Middle East of where it's like a white, you know, like, what do they call that, a white gown with like a head cap thing.

And he basically looked, he's like, I'm going to look like a Middle Eastern prince.

Like that's my goal tonight.

And his other friend, I think it was Noah and a few other guys wore black suits.

And he said, they walked around in the evening on South by Southwest and he goes, we got in everywhere.

They thought I was from the Middle East.

And I had, like I was this king or prince and I had people coming up for me, up to me constantly.

And like his friend Noah would like whisper in her girl's ear like, hey, this man wants to speak to you.

And they like kept up this shtick going for a while.

And if you Google it, you'll be able to find it.

But dude, this type of, these types of pranks are my, are my favorite.

What's the, what's the, play the clip.

Sometimes you just want to do hood rat shit with your friends.

And that's what this is.

This is an app that lets you do hood rat shit with your friends, parallel, live, genius, big brains LLC.

I went and looked at what other apps they've made.

There's one thing called.

Like a relationship one, right?

A relationship tracker and it's got 17 ratings and two stars.

You know, this is, you can almost see the, the, the development of an entrepreneur go to their app store and it's like, starts with like productivity app to do lists, you know, bus tracker to be more efficient.

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Oh, something that helps you save your, you know, your favorite memories with your family and then it starts to become like hot or not, the fake live stream simulator late tonight.

Exactly, you know, that's like, it's like eventually you stop selling what you want people to do and you start selling what people want to do.

All right.

Let's do one more thing.

What do you got?

You have one more.

I had a fun meeting.

I want to tell you a little bit about.

So I went and met up with James Krueger, who is an internet OG.

He runs something called NFX now, which is a big fund.

Like they have like a billion, he's at 1.2 billion under management or something like that.

Oh, I didn't know that big.

So it's grown, grown a lot.

So back in the day, he started a company called Tickle.

Here's another example of you start by doing what you think you should do and then you, at the end, you give people what they actually want.

So Tickle started off doing cycle, like site quizzes.

So it'd be like, you know, I forgot what's that thing called Briggs Myers and Myers Briggs or whatever that.

I think it originally for like which jobs are you built for or something like that?

Things like that.

It was like trying to like help you figure out what you should, what career you should do, blah, blah, blah.

And then the thing that went viral was what dog breed are you take a quiz and it's like you're a husky.

And you're like, oh, that's so cute.

I'm going to tell all my friends about this and went super viral.

And then they started making more and more silly quizzes.

Eventually they sell the thing for about a hundred million dollars to monster or kind of like a great win in the early internet days.

And then they did a bunch of other things.

So they kind of like invented a little bit of the, of the internet virality.

If I remember correctly, your old boss, Michael worked with them.

And I think like Rick Marini was there too, who Rick Marini now owns.

What's the gay dating app that went public grinder?

Rick Marini.

Marini owns that.

Yeah.

Well, he owns.

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He didn't start it.

No, he didn't start it.

But Rick Marini owns or founded the PE firm that eventually bought grinder.

And I think they either took it public or they sold it to someone and it went public.

Something like that.

But it was like a pretty big deal.

No way.

Yeah.

Yeah.

Yeah.

They've been doing this from the beginning.

And if I remember correctly, like they invented little things that we like take for granted today or things that don't even work anymore.

Like for example, enter in your Gmail here and we'll email all of your friends to ask if they also want to join along this thing.

And they grew that way.

Yeah.

They basically were like kind of, they were early to the viral game.

And so they bought Michael, so Michael Burch, who was my former boss and then investor, they bought his first social network, Ringo.

And what Michael, the way Michael described it to me was, he's like, I built a social networking thing.

It grew to like 300,000 users, which was like really big at that time in the internet.

Like that was like a big internet thing.

He's like, it was costing me so much money to run it, pre-facebook, didn't know what to do with it, didn't know, nobody thought social networking was going to be like a money making thing.

It just seemed like a kind of time waste.

He's like, so they offered me a couple million bucks.

I sold it.

I worked at Tickle for like nine months or something like that.

And then I was like, you know, I learned a bunch of things through sitting in an office with these really smart people.

And when my earn out was done or my non-compete was done, I went and I was like, now I know how to do this right.

And he built Bebo, which got a million members in nine days using everything he had learned during that period and ended up selling for \$850 million.

And so, yeah, they kind of were all this cluster of people that were doing the early address book imports and how to measure virality with a K factor, that sort of thing.

So I go meet with James.

What was the premise of the meeting?

So the premise of the meeting was just catch up.

So he knew that I sold the milk road.

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He was like, you know, what do you think about doing next?
And I was like, I'm not sure.
Let's chat.
So he invites me down to Palo Alto.
And so it could have been a zoom, but I was like, no, no, no, Sean's leaving the house today.
Let's go meet Belly to Belly here.
And I think it's going to be worth it.
Totally was totally was worth it.
So I go down there.
First thing I noticed was like, his office is right on like, whatever like university Ave or whatever that is in Palo Alto where it's like, everything is there.
It's like right in the middle.
So I just kind of noted that observation.
I was like, oh, that's interesting that he like made that choice could have been somewhere else.
BDE.
That's that's big big energy.
Second thing was there wasn't really anybody else in the office, but like he was there.
And I think other people may be working remote.
So we sit down, we start chatting.
And I wanted to give you some of my notes from, from this thing.
So the first thing is he's, have you ever met him before?
Yeah.
He's, he's really nice and can have a conversation, but he's like a quirky, not quite.
I wouldn't use the word eccentric, but he's just like, he loves this network density stuff.
Like sharing stuff.
I don't know.
I mean, he's very academic almost about it.
He, yeah.
Personally wise, he's got a great vibe.
Like he's very lighthearted and doesn't take himself too seriously.
Like, you know, I even wrote this, I emailed him afterwards, which is a little life hack, by the way.
I emailed him afterwards.
I was like, here's my notes from the meeting.
People don't usually do that.
They don't, they don't even take notes, but like if they do, they keep it to themselves.
But if you actually send the person the notes, they really appreciate it.
And it's almost like it's a double meeting and then they'll edit it.
So he sent me like a revision of one thing.
Can I read you my, my takeaways from the, from the meeting I go, here's, here's my, my notes.

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Five big takeaways.

I like your lifestyle.

So I learned something to compliment too, by the way, I go, I like the way, I like your lifestyle.

I like how you use your financial freedom.

So he said he spends four months a year with his kids.

So like just four months out of the year, he's with his kids.

They travel, they do stuff and he's like, dude, that's the max your kids will want to be around you.

He's like, I have teenage kids, like that is, I'm pushing the boundary of like how much I can max out.

Four months in one turn, like summertime.

Per year.

Yeah.

No, no, no.

Like spread out.

Okay.

Probably a couple in the summer and then whatever the rest.

He's writing a TV show for fun right now.

And I was like, like that, want to do things like that.

I think that's dope that you have a life that lets you do that noted because I'm like, he's 55, I think, and I'm 35.

And so, you know, I'm basically looking at like, I'm always hunting for blueprints like who's got a goal lifestyle and not their whole blueprint, but like part of their where I want to cherry pick.

It's like Costco.

I want to go around and sample different people and then be like, ooh, I like that.

I like the way that Sam has his ranch and how he does things.

And it's like your home gym, for example, I went to your place in Austin, your home gym was awesome.

And then I came home and I was like, Sam, what'd you use for the floor?

What'd you buy for this?

How do you get the leaves out?

What do you do this?

And you gave me the thing and I recreated that in, you know, with a 10% change in my house.

How's it going?

Is it awesome?

Oh, dude, it's amazing.

Yeah.

And so like, that's, that was what I stole from you.

And then I got to get the cordless leaf blower.

The leaf blower is dope.

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It's also a great party trick, by the way, people are just like, if people, people love it, but it's super effective.

It's way, way easier than sweeping.

So anyways, I was like, I like your lifestyle for these reasons.

I told him a bunch of stuff.

Then I go, then I go, the second good thing he told me, he goes, I think I could say this.

Let me say, let me try to say this without a ruffling of any feathers here.

So he's like, where do you want to land in the status game?

So he's like, okay, so he draws this like line on the board.

He goes, on one side of the spectrum, you have like, let's say Gary Vee, or like 500 startups, or like, he's like, you know, think about like people who go for like a mass market, like Tony Robbins, they try to reach like a mass market type of individual with their content.

And then that becomes their audience.

That becomes their deal flow.

So you know, if, if a really popular person sends me like, oh, here's a startup I got hitched, I'm like, he's like, I kind of know where that's going to be in the quality filter versus if Sequoia or Benchmark sends me a deal, like, I know where that is in the quality filter.

That's on the other end of the spectrum.

They have a much more niche audience.

They're only creating like NFX, he creates really niche content.

That's for like an A plus founder who's trying to build a billion dollar company using network effects.

And this is NFX, you're referring to NFX, the blog or NFX, their customer base or both like the blog is to attract a certain type of founder.

He doesn't need a million hits on a video.

He needs like the right hundred people to read the thing.

Right.

So that they think about NFX and they, they've learned from NFX.

And so he's like, we're on the, you're, you're making content, but who's your customer?

Are you more like McDonald's or, you know, we're like a, say a Michelin star restaurant.

They're like McDonald's, you know, we're not going to get the volume that they get, but they're not going to get the quality of clientele we get.

You know, so we're, he's like today, MFM, he's like, he's in, he's in the middle here.

He's like, and my advice to you is don't slide down that way.

He's like, cause today I like you guys and I tell people to listen to you guys because you're like, you keep it real when it comes to entrepreneurship.

Like A, you guys are real entrepreneurs.

You've done it before.

B, you just tell it like it is.

C, you don't talk about the most like complex subjects.

You like simple businesses and, and, and, and you know, more achievable business models

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for most people, but you're not yelling at them to hustle harder.

You're not just hustle porn.

That's just saying like, bro, you need to grind and like you need to do whatever.

And then we're also motivational because we try to be motivational.

And we're not promoting paths that are like, you know, drop shipping and like, you know, flipping things on eBay or whatever, like, you know, there's a, a, a business class there.

We're neither, nor are we saying like enterprise SaaS isn't like the main thing we talk about either.

So it's like, you know, we're somewhere in the middle.

He's like, I think you should stay in the middle cause it'll be tempting to slide there to get more views.

But I don't think that's what you're going to want in the end because that will be the network you create.

Those will be the deals you get.

Those will be the people who like you.

Those will be the people you meet.

And so you will, your, your content will define which network you're a part of.

Today you're here.

You can kind of go either way.

You should either stay there, move up market, but like he's like, my, my, my advice to you is don't, don't slide down market there.

So I thought that was interesting.

Nobody really talked about that to me before at least.

So that kind of matches my, my gut instinct.

And there's also like, you know, I had gone through this exercise recently where it was like defining kind of like your, your brand, like who do you talk to?

Who's your customer?

And who do you, who do you like to create content for?

And initially the thing I thought about was like, usually it's like, oh, you know, I'm all about entrepreneurship.

I'm all about starting a business and that's what I did and that's what I like.

But there's many different flavors of that.

There's like tech startups, like more like YC, there's stuff like starting an agency.

There's different stuff in between.

And then there's some people who are like, they cater to a market of people that are like, kind of like entrepreneurs only.

So it's like, quit your nine to five job, don't be a slave to the cubicle, get out there and be your own boss type of messaging.

And I'm like, I don't feel like the people who listen to us are mostly in that category.

Like I think the people who talk to us often are like second time founders.

They're people who are, they own small businesses or they, they're actually planning to take shots and they're not like, they already have made the decision of like, I'm not going to like struggle in this nine to five.

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I don't, you know, I don't think it's Dairy Queen worker.

That's our main like kind of person who listens.

So it was just like interesting to hear that.

Okay.

Here's the last thing that I think is two last things.

One partnership advice.

So him and his buddy Stan have been partners for, I think like 20 years now.

Yeah, forever.

And I had talked to Stan before I met James and I asked him, I go, hey, I want to have a business partnership that's like yours, like a business marriage, not just a partnership.

Like your thing is like multi-decades, there's no end in sight and it's been great.

And you guys have had multiple successes with the same people.

What's the secret?

And normally when you ask somebody this, like the odds of them actually saying something insightful or very, very low, but you can tell like how good they are that off the cuff, he's like, there's four things you need to know.

Oh my God.

I love the people.

He tells me the four things and I'm like, whoa, what are these four things?

And so here's what he told me.

He goes, most relationships, both sides are focused on what they're getting out of it.

He goes, the first thing, if you want this to work is you make it a giving contest.

I go, giving contest.

He goes, yeah.

He goes, when we sold our first company, James owned 90% of it or something like that, 80-90% and he owned, Stan owned like 10% or 20%.

And right before the deal closed, James like evened up the thing.

And he was like, what?

He's like, no, no, no, you don't need to do that.

Because James had had, I think, some financial success right before that or something.

And so he's like, no, that's not right.

And James is like, no, this is, this is right.

And he's like, in a moment where everybody would have been selfish, he had every right to just keep the deal exactly as is.

I'm more of a gift basket type of guy, you know what I'm saying?

And I've kind of done it both ways.

It's not about like, you don't have to just make everything 50-50.

I don't think that's the right answer.

But I think making sure everybody's taken care of is an important thing.

When we sold Bebo the first time, or when I sold Bebo to Twitch, I owned double the equity that my co-founder Furcon owned.

And so on paper, I should have got double what he got.

And as we were getting close to the deal, I told him, I said, hey, we're going to get

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the same.

Like whatever that total pool is, we're just going to split that 50-50 of what we get out of between me and you.

Because, you know, that's what felt right to me.

And you know, I was like, this is, I think this is the right move.

Was this before Furcon had, was this before app, app 11?

No, they had sold it, but then actually, so.

Wow.

And so for those of you who don't know, Sean's partner helped found app 11, which varies in market cap between 20, 40 and 50 billion dollars.

It's like a huge thing.

And so you still, I mean, he had a, that was, that's probably a home run for him financially, the app 11.

Yeah.

Yeah.

I mean, the app 11 thing's way bigger for him than, than our deal was.

And we knew like he was going to be wealthy from that.

So you know, it wasn't, I don't know.

Like I just felt, I felt like it was the right thing to do.

And what I, it was actually, it wasn't like, dude, I'm going to make it so that we're even.

That's not really the mentality.

It was, I, the original deal was not fair.

And so I just wanted to correct it.

Like when he joined the company, he had like 0.5% of equity or something like that.

And so I had already upped him once, upped him twice up to, I had been upping him without him asking anyways, just because I was like, this first deal was wrong.

So now I just try to cut the right deal up front.

So you don't have to do that anymore.

But like the point is like, you try to do what I, what is actually right.

So anyways, so that was the first lesson from Stan was like, he's like, I never feel like, he's like, I basically feel like we are both trying to give more.

And it's not about equity only.

Like it's like effort, like he's going to do something.

I want to do more.

He's going to, you know, try to like, you know, sack, make some sacrifice.

I want to sacrifice the same amount or more, turn it into a giving contest.

That was lesson one.

He goes, lesson two, when you disagree or you fight, which is going to happen a lot.

And you have to decide which way to go.

Do we go my way or do we go your way?

Don't use logic.

Use the sleep test.

So he's like, I ask who cares, who is more emotionally invested in this, in this decision?

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Because if I may, if we go with my way, but you were more emotionally invested, you're not going to be able to sleep at night.

And if I turn out to be wrong, it's going to really hurt you.

If I'm a little less emotionally invested in this, let's go your way.

And we agree that we'll just, you know, we'll, we'll pivot if we need to, you know, later.

And he's like, when it's really like just a deadlock, that's how we resolve the deadlock is who's not going to be able to sleep at night.

Yeah.

About this thing.

And when you have that attitude, you know, both sides end up trying to compromise versus trying to get their way.

Three, he goes, I think in 20 year increments.

So if I'm going to work with this person for 20 years, what decision would I make today that's going to be the best in a 20 year time spirit versus how most people operate is they just make a decision today about what's good today.

And then the future consequences may not be that good, but they're thinking short term.

Whereas if we're, if we plan for this to be longterm, we're going to make different decisions today to set ourselves up for longterm success.

So that's number three.

He goes, number four, the last thing I go, I go, I asked him, I go, I go, okay, that's the partnership.

Stan, why, why are you great?

Why is Zuck recruiting you?

Because he ended up getting recruited by Mark Zuckerberg to go run Facebook Messenger.

And didn't he go and actually do that?

He went and did it.

And he had been trying to get recruited for like years, like seven to 10 years.

And finally he said, yes, and I go, I asked him two questions, I go, what makes you great and what makes Zuck great?

And he goes, he goes, I'm not that talented, but here's my thing.

I'm not, he goes, I don't have the same bias as most people.

I don't have to be right.

And I go, what do you mean?

He goes, when I look at data, everybody else, I find they look at data and they just, they have a story in their head they want to be true.

Then they look at data and try to find, they keep searching through data until they find something that supports their story.

He goes, I look at data and I ask a simple question.

What story is this telling me?

And he goes, I just keep doing that and I just make better decisions because I do that.

Because that's my approach to how I actually read data.

That's why I can have more business success than usual.

And what about Zuck?

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On the Zuck side, he, I go, what makes that great?
He said, you know, he didn't want to say the obvious things.
He's brilliant, hardworking.
Like that would be a pretty blah answer.
Again, that's how you know the quality of the person.
They just skip over the blah answer.
They give you what you want.
They give you a little candy.
So here's the candy.
He goes, I was sitting with Zuck when he decided to buy WhatsApp and everybody said it was way too expensive.
They bought it for \$19 billion and WhatsApp wasn't producing any revenue or much revenue.
What's that worth now?
You think?
I don't even know.
Hard to say.
I don't know.
A lot more though.
I think more.
Yeah.
Like the Instagram one, definitely they bought it from one billion.
It's probably worth a hundred now.
Probably double that.
Sorry.
But what's that?
Probably also a hundred billion dollar franchise.
So he was trying to decide to do it and he goes, you know what's great about you, Mark?
You're smart enough to know that you got lucky once and you found lightning in a bottle with this when social networking was going to be a thing, but you're smart enough to know when somebody else got lucky too.
And he goes, you are smart enough to know that this messaging thing was the big winner of this era and these guys got it and you need to pay whatever F in price you have to pay to get it because there's only going to be one the way that there was Facebook.
Like there was only going to be one big winner.
And you know that you don't think you're so genius that you're just going to out compete everybody and beat everybody at everything.
Like you can recognize when somebody else got lucky too.
And I thought that was just like a fun answer for the answer.
Did he say that he liked working with Zuck?
He's not going to tell me if he hated it, but the action speak ladder, he's been there for quite a while.
I think he just left this year and so I think he was there for like seven years or something.
How did this guy run NFX labs while working at Facebook?

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He didn't.

He just worked at Facebook and he's like came as an advisor and then James was like, again, no problem.

Go do that.

Take the big fat check.

I'll run NFX.

You keep your partnership.

Dude, how much does a person like that make at like, if you're the head of a Facebook business, are you making over 10 million a year?

I have no idea.

Yeah.

Yeah.

For sure.

You think so?

For sure.

Wow.

I have no idea.

I don't know what this guy is making, but I would be stunned if it was less than 10 million a year.

I think it's probably closer to 20 million a year.

That's so much money.

That is so much money.

Could be more.

There are people at these covers that make 40, 50 million dollars per year.

Because they had stock grants early on and they just stayed there for a very long time.

Not the early on type person.

They'll get a package in 2019 that at the 2019 prices is going to pay them 20 to 40 million dollars a year.

That's crazy.

They're like, look, if this top AI guy leaves and goes to another company, not only do we lose this talent, that's kind of irreplaceable, but then Google gets them and then now they have a problem.

So Google has published some of these numbers about guys who are making like 30, 40 million dollars a year.

I want to have a, I don't know if this has to be anonymous or what, but I want to have a conversation with one of these kind of OG guys who saw the Twitter, Facebook, some of these companies get created, Google, like get created because, you know, they're around there and they're probably only 50 or 60 years old.

You know, the people who saw Google, like who are a little bit older when Google was getting started.

I want to ask them all stories about that and just what's it like being around some of these people and what are some of the stories around when it was getting going?

Like you hear these crazy stories about like, I think we had, I think we had someone on

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here talk about eBay and they're like, I joined eBay when we are 50 people and they were just explaining what like the day to day office life was when you're adding 50 employees a month or 50 employees a week when you're only at 50 people.

And anyway, cause this type of stuff, doesn't it truly exist anymore?

Because the map, the playbook for a fast growth company is kind of, it's not entirely made and there's still companies like Uber that are recreating it as they go, but like there's a story there and you have a history, but if you're a Google, you're a little bit of a pioneer and you're like, I don't know, man, how do we, how do we add bodies to this problem? I don't know.

Anyway, I want to hear, I want to get some OGs on it, tell those stories.

Yeah, that would be awesome.

I've been lucky to hear a couple, like the guy who was the, my boss at Twitch essentially was semi-early at Google.

So he would be like, you know, Larry says this, he's talking about Larry Page like from Google.

And so like, he didn't do it often, but like he would say these little things that I would like ask him a million questions about it.

Dude.

So when my wife, my wife Sarah worked at Facebook from 2000 and I forget exactly maybe 13 to 16.

And during that time, Facebook, I think she was, she joined at like 5000 and then when she left there at like 50,000, something crazy.

And during that time, Zuck would do these meetings every Friday in like an auditorium or in a cafeteria on Facebook's campus and any employee could show up and just ask him a question and they would also stream them.

And every once in a while, I would like look over her computer and watch her streaming these conferences and there'd be like 50 or a hundred people in the cafeteria asking questions to Zuck.

And I'm like, Sarah, you are crazy.

You should be in that cafeteria every single Friday.

Like this is like being around like John Rockefeller or like Teddy Roosevelt or JFK.

And like this is like a pretty big deal.

And if you just ask an interesting question every Friday, maybe eventually he'll say something like, Sarah, it's nice to see you again.

You know, like, why don't you just come talk to me afterwards and we could help.

Maybe you could work on that.

Like I was like fan fiction.

Yeah.

I'm like story with you and then I'm like creating this story in my head.

I'm like, what could potentially happen and it never happened to each other in the elevator.

And he says, yeah, you know, you're right.

You have like a meet queue in the cafeteria and you like, says like nice shoes and like you already know that you like boyfriend I want to hang out with maybe he'll follow

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you on Instagram.

And maybe you're posting a bunch of pictures of me and I just don't happen to like say about me.

I don't know.

I haven't thought this you already, but like, like I had this whole playbook and she didn't do any of it and then said we just had a traditional fall in love marriage and all that boring shit.

She's like, I'm going to get a yoga class during the all hands.

Yeah.

We could have had a thrupple would suck, but no.

Well, dude, this is, this is one of the other things that James was talking about.

I actually like to kind of actually relate to that.

He goes, um, I asked him, I was like, so I asked him about his office.

Remember, I told you, I was like, I noted that he was here.

I was like, why do you have the, why'd you get an office right here?

He's like, I made one mistake when we sold tickle.

I drew a diagram.

He goes, he drew a circle.

He goes on the diagram guy.

I like this.

Oh dude, if you, if I'm going to meet you in person, we're going to be on the whiteboard.

Like, you know, that's what's going to happen.

Yeah.

It's going down.

Yeah.

It's going down.

You know, I'm a lady in the streets and a freak on the whiteboard.

So, you know, like, I'm going to the whiteboard and, um, and so he's, he draws a circle and he's like, yeah, let's say that he's like the white hot center of Silicon Valley was like, let's say Sequoia benchmark, these, you know, these people, these founders at that time, Facebook was just getting started.

Facebook was like the hot center of like where all the action was happening.

Google, it goes, and then like, you know, one ring out from that, you know, we were kind of like adjacent, like we knew a lot of those people, like I advise some people to take jobs there.

You know, I had a job offer there.

He's like, I didn't take it because I maybe had a little too much ego.

I thought I was an entrepreneur.

Probably should have just joined Facebook.

It would have been great.

He's like, yeah, but we were like one, one hop away.

We were like one, one, one ring away in this like circle, it goes, what we should have done is realized that Silicon Valley is a network.

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And in a network, like all the value, like a lot of the value concentrates at the core.

Like the closer you are to the center of the network, the more value you get.

Physically in many cases as well.

Literally physically, which is like, the further you go out, the, the more you're on your own island.

He goes, we decided to go start our own thing, our own lab, self-funded doing our own startups with new people and like, you know, doing our own thing.

And it felt so entrepreneurial to go out on our own terms and build our own island.

He goes, I could see you making this mistake too, because I wish somebody had explained this to me at the time.

I can't believe people are moving out of the tech, people are moving out of the Bay Area to go live in Austin or, you know, Florida or these places.

You're going to save 13% on your taxes, but make 10 times less money.

Like, you know, that's the trade that they're making.

They just don't realize it.

I totally buy that.

And he goes, when we did this, he says, when we moved out, you know, when we decided to go off and kind of do our own thing, not physically, not geographically, but just like in a philosophically,

all of a sudden he goes, I had a meeting scheduled with the Uber founders because, you know, they were in our network.

And our friend was like, you should meet with the Uber guys, Travis is doing something cool.

And I had the meeting scheduled, but I was so focused, oh, I'm doing my thing here and I got busy and I had to cancel, I just canceled the meeting and didn't take the meeting.

Missed Uber.

I would have definitely invested in it at that time just because it was in the network as our friends put a small check in, you know, no big deal.

But I was so focused on building my own little island.

I stopped paying into the network.

He goes, you know, similarly, a cooter took a job at Facebook at that time and like, you know, one of the earliest people at Facebook, I kind of knew Facebook was going to be a big deal.

But again, had my own thoughts about what I wanted to do.

So I went the other way and made things harder for myself rather than easier.

He goes, you could see what like the value of the network.

He goes, when Facebook started getting popular, Facebook started in Boston.

And he goes, Zuck was smart and Peter Teal told him the right thing, which is get your ass to, you know, get your ass to Silicon Valley as fast as possible is the startup

that builds this in Silicon Valley is going to have a better shot, better high expected

value than one that tries to do this on their own in a new talent network, you know, a new funding network outside of Silicon Valley.

And I was asking about YC.

I go, didn't kind of YC do their own thing?

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He goes, no, I have the opposite view of YC.

YC is fully a network.

And he goes, Paul Graham did the first one in Boston and immediately moved to Silicon Valley because if he had figured out, oh, shit, this is the blueprint for investing in early stage startups, that's going to work.

Whoever does this in Silicon Valley is going to be the winner.

And he goes, guess what?

They moved to Silicon Valley right away.

As soon as the first batch was done, Paul, his two little kids, they just forget everything, drop everything, pick up and move.

Like he's like, you know, it wasn't convenient for them.

He's like, I know the architect that was building their house and, you know, they had to get there quickly and that they just rushed it, moved in to start their second batch in Silicon Valley.

Because they look at all the other accelerators that copied their exact blueprint, the all the, you know, tech stars as the one in Boulder, every other city.

And you know, they've had like a couple of unicorns, Paul, you know, has had a hundred.

And it's like, you know, the difference is like a, you know, more than a 10x difference in outcome, just by being in the center of the network.

And he goes, and I saw, so I was thinking about that was like, you know, there's a physical location part of that.

Then there's like staying in touch with people.

So like me doing that meeting with James was great because like, yeah, this guy's in my network, but I was just sitting in the burbs over here, you know, doing my own thing here, creating my own content.

I wasn't like, do you not feel like a Silicon Valley guy?

Is your dude, I don't know, I haven't been going to anything like, I don't meet with anybody.

I don't go to anything.

It's like dumb.

And then this brought my awareness to like, wow, I'm silly for not taking advantage of the network that I, the hard network that I've built over, you know, 10, 12 years.

That's crazy that I'm not taking advantage of that.

And then so I asked him, I was like, you know, what do you think I was like, how do you actually take advantage of the network besides physically being there?

Okay.

I believe the physical thing.

And I've always said this, like proximity is power, the closer you can be to the people you like and the people you want to be like and the people who you want to be around, like literally physically, the closer you can be, the better.

And I go, why does that work?

And he goes, he goes, what you should do is that you want to build something that brings value not only to you, but also to those people around you.

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Also you want to be like an API.

So like, you know, when a, when a, when Twitter is a product, they create an API that lets other people like read the Twitter stream, right, create apps that help Twitter, like they basically.

Which makes Twitter stronger.

He's like, you want to be like an API.

You want to tell, you want to tell people how they can plug into you.

Where can they get help from you?

How can they give help to you?

Like if we know that Andrew Wilkinson buys internet companies, then when we see an internet company, we talk to some guy who's like, yeah, I'm thinking about selling.

We'll make that introduction because Andrew has an open API.

He has made it clear how somebody can interface with him, how somebody can help him and how he can help other people, you know, he, he's made it clear for those founders.

Hey, if you want to exit, I'll, I'll buy you out.

And so he's like, that's why Silicon Valley is great because you can invest in other people's stuff.

You can join them.

You can partner with them.

You can work for them.

You can send them talent.

You can do a podcast exchange.

You can share ideas about growth with each other.

You can share knowledge about a term sheet with it.

He's like, that's why Silicon Valley works is because the network is super dense and people share a ton within that.

And so you get all these extra benefits that you don't really plan for that are sort of serendipitous when you're in there.

And I thought like this is all obvious, like I kind of nodded my head, but it brought my awareness to

It's not that obvious.

A lot of people don't take advantage of this stuff.

And even me who still, who knows this stuff and still lives in Silicon Valley, I wasn't maxing that out and I'm going to make a, you know, a, a sort of like turn that knob a little bit and do that better.

I only live where I live now for family reasons, but if my family were willing to live in California, I would be in Palo Alto, not San Francisco actually, but Palo, I would be down the peninsula in a heartbeat.

Totally.

100%.

I would be there in a heartbeat.

I think it's the greatest.

And people say like, well, it doesn't matter anymore.

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I'm like, well, maybe like currently it doesn't matter that much, but things that maybe in the six or 12 months is going to be happening.

But I actually think it is kind of happening still a little bit.

But I think New York and, and, and Silicon Valley are a little bit uneven actually now, whereas for years they weren't, but still Silicon Valley, I think you have a much better existence living there.

But I would be there in a heartbeat if I could.

If it were, if I was a single guy, I'd be there tomorrow.

Right.

That's it.

That's it.

That's it.