

[Transcript] My First Million / Hire 1 to Hire 10, Sam Gets Hacked, Shaan Buys a \$200K NFT, and More with Andrew Wilkinson

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.

Like, first it's exhilarating, running an agency is awesome.

When you're starting out, you get a seat at the table and all these places you don't deserve to be, right?

I was like a 22-year-old pipsqueak, and I was meeting the founders of Pinterest and Slack, and they were asking me for my opinion, right?

It was crazy.

All right, we got Andrew Wilkinson on the pod today.

We just talked about Sam got hacked and situation where Andrew got hacked and how crazy the hacking situation is.

We talked about this \$200,000 NFT I bought, and whether that was dumb or a good idea.

We talked about how Andrew is functioning during World War III going on or the craziness of the world and how he's dealing with that.

What else we talked about, Sam?

We talked about how, when he thinks it's time to hire first employees, which sounds like a basic concept, but I actually thought it was really cool.

No, there's a gem in there called hire one to hire 10, and he talks about this little nugget.

I wrote that down during the pod as like, oh, shit, I've been making this mistake for a long time.

He's totally right.

We talked about why bad guys usually win fraudsters, con artists.

We talked about his newsletter business and the art of copywriting, and we took one of his private emails, and we started talking about some of the genius things that he did in the copywriting of that.

Sean, you were awfully quiet this episode, and I was too, because I was just listening and learning.

Is that what you were doing?

I was listening and learning, and then also our internet connection is not super great, so I didn't know when you were going to talk first when I was going to talk, so I just decided to be paused a lot of times.

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But it was good.

I always like having them on.

All right, cool.

Enjoy this episode.

All right.

Andrew Wilkinson's here.

What's up, dude?

Hey, man.

How are you doing?

We were supposed to do this in person, but I got COVID.

Yeah, I know.

We had like 200 people coming to see you and I talk, and we canceled it like three days in advance.

So crappy.

We got to do it, but COVID was, I've had worse massages, so it wasn't too bad.

I was one of the lucky ones, unlike Sean.

That's a good one.

Excellent one-liner.

Can I, all right, can I tell you guys what happened to me this weekend?

I had a long weekend, so Sean, I called Sean urgently because he was the first person to come to mind because I thought he would know someone at Twitter, but basically I got hacked, and let me explain to you how I got got, because I got got good.

So basically I was sitting in my bath, yeah, I was sitting in a bath at 1pm, and I get this text from a number and it says, in a really nice text, I actually, I sent you a picture, Sean, and it says, we've noticed suspicious activity on Twitter from some city in India, and it said the name of the city, and it was this real official looking text, and it said, we just sent you a confirmation code and another text.

Can you copy that code and paste it to us so we know that this is you, and I get this other text right at the same time, and it's from Twitter, and it's eight numbers, and I copy it, and I put it in the other text, I hit send, and then immediately I was like, wait a minute, that was, I should not have done that.

And what it was was, it was the text from Twitter, that was actually someone hitting reset password, and they sent me a text, and I sent it to those people, and so they hacked it.

How did you, you realized right then you'd been hacked, not like, once you saw something suspicious, you didn't go back and think, how did they get me?

Right then I was like, I sent the text, and I was like, it sat for 10 seconds or 20 seconds, and I was like, wait a minute, that doesn't seem right, because I was like playing on my phone, I was like sitting in the bath watching YouTube, I played on my phone, and I wasn't paying attention, this was automated, I was just like in an automated mode, and this happens, and I send it, and then I go, wait, that's weird.

So I log into Twitter, and I can't log in, and I type my password, and it's not working, and I click reset password, and it's that, we've sent an email to, and it's an email

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I don't recognize, and I was like, oh my gosh, I got got, and then they tweeted out a thing that says, I partnered up with HubSpot to give away a bunch of PlayStations, and we're gonna give the money to St. Jude, here's a picture of the PlayStations, DM me, and I'll sell you the PlayStation for \$500, all money goes to St. Jude's, and they, but they, I think they only collected like \$2,500, but here's the kicker, one of the guys who gave money, he gave money \$500, and he goes, also because I'm such a fan, because I like you so much, I'm gonna give you another \$500, so he sent them \$1,000, and so eventually Twitter helped me, and I got back, but it was-

You gotta give these guys marks for creativity, like so often you get those spearfishing emails and stuff, and they're written in like ESL, they don't really make any sense, those guys sound pretty good.

It was a good one, and I actually called them, and I talked to them, and I was even texting them, and they were like trying to sound like me, it was pretty wild, they got me, have you guys ever had that happen?

I actually had them, I think I've been hacked before, it was really weird, I haven't really talked about it actually, but about two years ago, you remember the Jamal Khashoggi killing where Saudi Arabia basically beheaded a political dissident, and I tweeted about it and said, I don't remember something like this is horrible and an atrocity or something, and at the time we were raising our fund, and like a week later I got a DM from a shake, and he's got this legit looking account, he's got the headdress, and I go to his website and it looks like this legit financial institution or whatever, and he says, I really wanna invest in your fund, and so I get on the phone with him, and unlike any other investor pitch, he doesn't ask me anything about the fund, he just starts grilling me, and he starts saying, who do you know in Qatar, is there anyone in Qatar you know?

And I'm like, oh that's weird, have a chat with him for 30 minutes, hang up, don't hear anything from him, and then 24 hours later I get a video message from him on WhatsApp, and it's just fireworks, and it says, happy new year, and I'm like, well that's a weird, what a weird guy, I don't think anything of it, and then for the next week my phone is constantly rebooting, and around this time it clicks for me and I'm like, oh my god, and I probably was identified as somebody the Saudis wanted to check out, and they probably did one of these zero days on me, so I ended up basically redoing my phone, sending it away, I never figured it out, but it's freaking terrifying, this is like, I watched a video and these guys probably had rude access to my phone.

What's a zero day?

A zero day is a attack that uses a flaw within the operating system that nobody knows about, so it's like, they could send you a link in Safari and it could somehow get rude access to your iPhone, and Apple doesn't know about it yet, so they can't prevent it.

Wow, have you had that Sean?

I would have thought the Bitcoin Bros would have kind of come after you.

Thank god I've never been zero day, no, that's, I mean, that's at least as far as I know, but that's, dude, that's so scary, like that's like why when the UN meets they have to put their phone in a radioactive safe or whatever, like then they go talk to somewhere else.

You know, like with Obama, he had a special toilet they would bring with him, so he couldn't

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poo anywhere except for the special toilet, and it would incinerate his feces because they don't want anyone to get his DNA, right, like that's how intense they are.

No way.

And like cups, yeah, yeah, if he like drinks from a cup, they like secret service takes it, they like destroy it.

We all have a mutual friend, I'm not going to name now, but they told me that they work for this famous company, and when they go to, well, I could say it because I think Facebook does it too, but like some, I heard stories from folks at the Andreessen Horowitz that when they go to China, they don't, they're not allowed to bring their normal laptop and they have to bring a different laptop that doesn't have anything on it yet.

And I think a lot of Facebook employees have to do that too, but they like don't want certain laptops going there.

Oh yeah, like Russia, China, I mean, you got to be so paranoid.

I mean, ideally were the crazy thing you realize is that, like I was talking to a friend of mine, this guy, Matt Holland, who's got a cybersecurity company called Field Effect, and he's former CSE, which is like the Canadian hacking offensive cyber command or whatever. It's like the kindergarten version of CIA.

Exactly, exactly.

It's like the crappy Canadian version, but he worked with like, he worked with the CIA, like tailored access and all that stuff.

So anyway, I was having dinner with him and I was like, dude, like I use two factor, like, you know, I don't get text messages, I follow all the procedures, like you couldn't hack me, could you?

And he's like, dude, like two hours, like give me a budget.

And as long as I've got budget, I can afford to go buy a cyber weapons.

So like these cyber weapons, these zero days, they cost like one to \$3 million.

But if you have the money, you can get anyone you want.

You literally just send them a text, they don't even have to click a button and you got them.

It's absolutely terrifying.

And you just hope we're not on the radar of some huge country.

Like why would they care about us?

He's like, you thought that was shrimp tempura you were just eating, bro, I got straight into your phone from that appetizer during this meal, like I heard, I heard somebody go on Lex Friedman's podcast and they said they were talking about this market for zero day exploits.

And they were like, you know, it used to be iPhone exploits were like the creme de la creme, that was the caviar of like, you know, cyber, you know, ammo, ammo that you could go buy.

And now Android exploits are higher ranking because there's just effect more people.

And I think maybe some governments had switched off of iPhone or something like that.

I'm not sure entirely.

But like, yeah, these things run like seven figures to buy, you know, these, these exploits

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or these like rooted devices basically that I almost, I almost started a business, I bought a domain hack my company.com.

And the thing that's interesting is that all the enterprise businesses, so like government organizations, companies over a hundred people, they have IT, they think about this stuff, but nobody in the small and medium size really considers cyber.

And it's just, it's something no one thinks about.

And like we've dialed it in over the last couple of years, but I really had to drag everyone along.

Like nobody thinks about it, but it really is a total loss scenario.

You don't think about it until you get got, you know what I mean?

You don't, it's one of those things where it's not a big deal until it's a big deal.

And anyone who's experienced a little bit of it, they're like, Oh, okay, I understand why.

But what's screwed up is in America, we have experienced, you know what experience is Andrew? It's like one of the three credit bureaus they lost.

Like I think they had like almost every American's credit score and information.

They lost all of our information and it was hacked and like we didn't, most Americans don't care.

But then when I get like something that like this weekend happened to me, now I'm paranoid, now I'm like really nervous.

Oh yeah.

So what's crazy is like if someone really wanted to get you and they didn't have a budget, let's say like some hacker just wants to get you, they can literally just go outside your house in a van, they can get a Pringles can antenna, they can point it at your house and they can broadcast the same, whatever your wifi network is.

Let's call it, say it's called Sam's Wi-Fi.

I just recreate Sam's Wi-Fi.

I pointed at you, you go on your laptop and you're like, what the fuck?

Like I can't log in and you try your password.

Once you try your password, they know the password, your Wi-Fi, they get into a security camera on your property or whatever and then they're in your network and it's just insane.

Oh fuck.

And now that we're talking about it, we should edit this out.

This is scary.

This is like talking about how you've got a safe full of jewels in your house.

There's three things that I was going to say and I was like, there is no value in me saying this on the pod because what, what good does it tell you to say this thing I discovered of that somebody could do to me?

Nope.

Not going to say it.

Then the measures I took against it.

Nope.

Not going to say it.

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Like why, why do I want to say any of this?

Basically this stuff freaks me out.

Like I'm Sam knows I'm very chill about almost all things.

This is one that really does freak me out because these like these attacks, they could just come, they could come at you and it feels like you could just get, you know, you could just get robbed silly, you know, whether it's personal or for me.

Like, you know, if I'm in the phone, I'm in the shower and my phone is there.

I pointed away.

I'm like, I don't know who's got access to this camera.

I'm not trying to have my dudes out there right now.

Like literally thinking about that every time I shower, every time I log in.

Is that a thing though?

Like I see people with, with things.

So you guys have a little bit more experience than I do, I think, or you make me know people who work at these companies.

I don't think, like, do you actually think that Facebook is listening to what I'm saying or that?

No, I don't, I don't think Facebook is, but I think, well, I think they have programs that record random samples and then people listen to them, but I don't think it's like a conspiracy.

Say that again.

That's a thing.

That's a thing.

So if you go on Alexa settings, like they're like, you can opt in to being like, oh, help us make Alexa better and they'll listen to random recordings of you saying stuff, right?

On the flip side, I don't think you need to worry about that.

I don't think that's like a massive conspiracy and they're going to use that against you.

What I would be worried about is someone getting into your phone and having access to your camera when you don't realize.

And that's a real, that's a very real thing for sure.

Yeah.

Like, you know, and, you know, these are the things that where you seem paranoid, but there's enough at stake for somebody to be able to like, let's just take Tik Tok, for example.

Tik Tok is downloaded on like over a billion phones right now and it's a Chinese company and it has access to your camera, your camera roll, your face at all times, plus it has the feed, which can like feed you any information you want.

All right.

So this is like pretty much rude access to your life and your brain.

And so, you know, I'm not saying they're doing anything, but like, could they?

Of course they could.

Right?

Well, it's like that, you know, that face app app where you can like make yourself fat or whatever.

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They're like Russian guys.

Everyone's used it.

It's owned by the Russian government probably, right?

And now they have scans of everyone's faces.

Yeah, exactly.

And so, and like you've ever been on your phone and then you like kind of, you do that thing where you swipe up to like close apps and then you see like this app that you forgot you had opened four days ago and it's on and it's like on the camera screen.

It's like, whoa, this app just has my camera open right now.

Like I didn't even realize my camera was open, but clearly it is because like if I click to that app, the camera's on right now, like I could see it even in the preview that it's on.

So there's all kinds of crazy stuff that that's out there was saying when your thing happened, I did another round of like kind of like my shitty version of like drilling in bolts into like the walls of my stuff.

But you know, I just know that anybody who's sufficiently talented and motivated can kick my ass in this area.

I just, you know, I actually just hope that they don't give a shit about me.

That's that would be the idea.

It's like, you want to air gap yourself, right?

So it's like, you don't want to be the one who sends the wires for payment.

You want to have a whole process and a series of things that have to happen before any money gets sent or any access.

It's like, you don't want, you don't want access to GitHub.

You don't want access to the S three.

You got to have like many, many layers of that.

But um, but yeah, it's freaking terrifying.

This stuff.

Well, thanks for sharing, Sean.

I called you first and it worked.

And a Twitter employee saw it and hollered at me on Facebook.

Yeah.

And by the way, when he did, I was like, is this really a Twitter employee?

I went and I went and stocked the shit out of this guy.

It's like, oh yeah, he's just an old Twitter.

It looks legit.

I like friended him on Facebook and like saw if he was married.

I'm like, all right, who's your wife?

So like I was, I was nervous.

And then I've had people DM me saying they were scammed and I'm like, should I give them money?

But then I'm like, I don't know if they're real.

So like my whole brain is kind of screwed up.

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And the Twitter guy's like, just give me your login for Instagram and I'll get this all started out.

I'll take care of all of it for you.

So anyway, I'm messed up, but thank you.

It worked out.

By the way, you need to just buy.

They were scamming people with a PS5 thing, right?

You just need to buy a PS5 for for the guy that helped you out.

That's I think they'll need.

Totally.

You had to close the karma loop completely somehow.

I'm willing to do that.

I think what I'm going to do is make them like FaceTime me though.

Or just actually give it to St. Jude, right?

They were basically saying, oh, this is for St. Jude.

It's for the kids.

Okay.

You can't trust any of these people online, but they were trying to give to St. Jude.

You should just give to St. Jude.

And then that will again, close the karma loop for you.

All right.

I'll do it.

I'll do something.

I'm going to do something.

I'm going to holler at these guys.

I'm going to make them FaceTime me.

I'm going to actually, I'm going to be like, all right, go to your computer, login to PayPal, show me that you send them money.

All right, cool.

I got you.

I'll make it right.

Because I'm just speaking of this, I had a thing that I was going to talk about on the milk road.

It was like super relevant.

So basically, I don't know if you guys saw, there was some news where the number, basically the number two NFT project, kind of number one and number two, they essentially merged.

Number two kind of bought number one.

And which sounds a little crazy, but that's what happened.

So like these two projects that have had like a combined, I don't know, three billion in NFT sales, they merged Board Ape Yacht Club and Crypto Board Ape Yacht Club bought Crypto Punks.

You wrote about it.

It's as if chocolate bought vanilla, if Harry Potter bought Biggie Mouse.

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Yeah, exactly.

So it was like this strange kind of like merger at the top.

It's like if Beanie Babies bought Pog, there you go, all right, nice one.

So basically this went down yesterday.

And when the news was breaking, I was like, okay, this is going to cause a spike in one of these projects, either Board Apes are going to go up or Punks are going to go up.

I don't know which one.

I was like, I've been on the fence about buying one of these, I'm going to buy one.

So I texted Ben.

I was like, all right, April Punks.

He's like, hold on.

I'm putting the baby to sleep.

I'll call you in 20.

I go, Ben, April Punks.

The impulse is now.

20 minutes from now, I'm going to chicken out like I've done 20 times already in the past six months about these things.

I'm buying one of these right now and I made a bet that the Punks would go up.

Guess what guys, bet completely wrong.

Punks stayed, Punks, Punks down, you know, a little bit of 5% or so, nothing bad.

But Apes shot up.

I would have made about \$70,000 in 24 hours.

Had I just picked the other one, you know, I picked wrong on which one I thought would go up.

But in doing so, I was going to share with the community on the milk run.

I was going to be like, Hey, here's the punk I bought.

Here's the process.

I said, you know, just like share the story basically along with the news of this happened.

So I thought one of these would go up.

I picked this one.

I was wrong.

The other one went up.

But you know, anyways, here's the punk I got.

And then I was like, I don't even want to share this.

I was like, first I need to go through all the measures to like put this into cold storage and like get this off the fucking Internet so that nobody comes in and steals my \$200,000 NFT that I just bought.

Well, you paid 200 grand for it.

Yeah.

Oh my God.

My previous, I don't know, most expensive piece of art would have been, I don't know, \$0 to \$20 t-shirt at the Jersey Shore or something.

Yeah.

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Like a fucking family reunion shirt.

I can't believe that.

You know, it's crazy as you could.

You could have like, I've bought some art over the last couple of years and like for 200 grand, you can buy like a very significant piece of art.

You could have this beautiful thing in your house that, you know, act in a real art market that we know has existed for the last hundred years.

Like I'll be super curious to see how this goes.

Wait, Andrew, you've bought \$200,000 pieces of art.

No, not \$200,000, but like, you know, I've bought expensive art for my house and office and that kind of stuff.

And you know, for 200 grand, you can buy a pretty nice piece of art.

You can buy like a Lamborghini, baby.

Maybe I used Lamborghini.

You could have used Lambo for that amount.

So definitely had some buyers remorse as soon as I hit the button because I was like, what the hell did I just do?

But you know, that's the game.

Like I, the one thing I'm doing this whole year is I'm playing in all parts of crypto and I'm actually using all the different protocols and the tools and getting to know it. And I know like, you know, a couple of the projects I go in there, you know, it's going to be a scam or I'm going to get rug pulled and other projects are going to go up like crazy.

Some projects I'm going to realize.

Yeah.

That thing I thought, you know, like was kind of stupid was, was actually really stupid.

And so this is, you know, one of them is like, if you're, I think we're going to be in the space, you got to play the whole space.

I think it's the right way to do it.

I mean, I actually have a whole, in the notes, I had a whole thing about this, but you got to do it wrong before you do it right.

Right.

And if you know, you directionally want to go into NFTs and crypto, you just kind of have to throw a bunch of spaghetti at the wall and you got to lose a lot of money and, you know, this might make money, might lose money, but just starting, I think is way more important.

So I don't think it's a bad move necessarily.

Let me ask a question that Sean wrote on here, which is actually really good.

So we've got a ton of topics.

Andrea has a ton of stuff.

I did a lot of, I did a lot of research, Andrew, on your topics, but Sean's got this great question, which is what is, what are people's take on how you're functioning during World War three?

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Particularly with the markets, the way they are with people dying a war, Andrew and Sean, what are you guys doing and where's your head at?

So I, from a business perspective, I've spent so much time trying to wrestle with current events, right?

Like think about Trump and all the unpredictability reading the New York Times every day. At the end of the day, I'm resigned to the fact that I don't control the global economy or if this turns into World War three or something, the way that I'm operating is very similar to the way I always operate, which is I try and have amazing businesses that generate a lot of cash flow and I try and keep as much money as I can on the sidelines and buy businesses that'll be fine.

Even if valuations are down, there's no venture capital, there's no banking, there's no market. So I'm kind of going as I usually am.

And this time, I don't know, I think I'm less, less into it.

And what I mean is psychologically, I'm a little more distanced from it than I usually would be because of the last five years, like I kind of over-exhausted myself with news and stuff.

What do you say you have money on the sideline?

What's that mean?

Well, then I have liquidity.

I have, you know, money in the bank waiting to...

Yeah, but do you have it literally in savings or bonds or do you have it in equities?

I have it in like US Treasury bills or GICs usually.

Because having things in equities like I have right now, I'm hurting.

Well, here's the thing.

I mean, I talked to so many friends about this, like Warren Buffett has this great line where he says, if you owned a farm and you know your farm to you is worth like a million bucks, right?

Let's say it makes \$100,000 a year of profit just because some jackass rolls up one day and says, hey, can I buy your farm for 50 grand?

You just say, fuck off.

No, I'm not selling for 50 grand.

It doesn't mean you think your farm is worth 50 grand now, right?

And the stock market goes up and down and you get all these bids.

You just don't have to sell.

So unless you sell your stock at this valuation, it doesn't affect you in any way.

Yeah.

Well, the only difference is I think I like that mentality a lot.

It's more like you're in a neighborhood and you're like, my home is worth a million dollars.

And then your neighbor sells their home for like \$250,000, you're like, whoa, hey, what's going on here?

Your neighbor to your left sells their home for for \$50,000.

And every day you're hearing about another home sale in your neighborhood for like so much less.

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And you're like, look, I'm not moving.

I'm holding on.

But damn, I really do.

You know, like it's hard to still feel like your house is worth a million dollars when all your neighbors have just sold theirs.

Well, you know, you know, the whole Mr. Market thing, right?

And also Mr. Market is irrational.

Yeah.

But that's I understand that.

But which to add a point to Sean's analogy is and you've taken a loan against that house at that billion dollar valuation totally.

That's funny.

The funny thing is about the loans.

I don't know how it is in the States, but in Canada, if your house gets valued at \$10 million, let's say, and you go and you take a \$2 million loan, there is no market for your house, right?

The bank doesn't revalue your house every year.

And so they don't call it.

It's not like a margin call where if it's a stock at 10 million and it drops to three, you're getting margin called day of real estate that like I wouldn't worry about that too much.

Yeah.

Yeah.

Well, that's dude margin calls.

That's like driving with a knife on the steering wheel.

You have to be incredibly careful.

You don't take any debt like that.

I mean, I the market has to drop by another hundred percent for me to for any of my loans to pay back.

I mean, it's got to drop a lot.

So I take a little or something or it's sorry, not a hundred percent.

It's got a half.

It's got a half.

I do, but it's in kind of non-core stocks that I hold outside of my business.

And I don't anything that's volatile.

I don't use margin.

And if I do use margin, I'm using like five or 10 percent typically, or I have other cash on the sidelines to pay off that debt if I need to.

But I live in fear of debt.

I think it's like the number one way you can lose, you know, you can already be rich and then lose everything.

It's the only way basically.

Do you think tiny would have been possible if it weren't for a meta lab?

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Well, I think like at the end of the day, whatever the you need, you need a business that generates cash flow.

I think the structure certainly can exist.

You know, anyone can recreate the structure.

The question is, do you need partners and investors now it's at capital?

In my case, you know, I had an original business that generated cash flow.

I use that to start, you know, five more businesses, a couple of them worked, and then we could make a group.

But yeah, you kind of need something to work in the first place if you want to own the whole thing.

Yeah.

Who would have thought it would have been an agency, though, I never would have predicted that.

Well, agencies are they're a great way to make money, a lot of money quickly, right?

They just they're linear businesses.

And you kind of have to accept that.

And something that you wanted to talk about today was whether it's better to own 100 percent of something and bootstrap it or to give up equity for to partners, whether that's for sweat equity or money or money.

But you we're talking about that.

And I asked my audience, companies that were bootstrapped and quite big.

And there's a few that are doing billions a year in revenue.

And I know, notice two commonalities, one, a lot of the things that were bootstrapped to be really big, they were things that were easy to take big loans against.

So it's a lot of restaurant stuff.

So maybe they took like loans against some equipment or they took loans against a building they owned, things like that.

The second thing was I've noticed that there's a lot of agencies that were bootstrapped and became pretty substantial sized agencies or agencies or service based businesses.

So like recruiting companies, IT services, things like that, where it's basically you bill out people's time for \$100 and you charge \$300 or something like that.

Well, think about it, you don't need, especially if you're a young person and you got enough money to live for a year, you can go and start an agency.

Because at the end of the day, it's you go and sell, you win a contract.

As soon as you win the contract, you go and find a developer or you do the work yourself.

And then before you know it, you're cash flowing and you're always able to hire people just in time for the work.

And so at the end of the day, there's really no burn and it's very capital efficient and you don't need, you don't even need an office anymore.

We almost never had an office and over time, we had a couple small ones or whatever.

But the big fuck up a lot of these big agencies make is they start starting like these fancy humongous \$5 million offices in New York and San Francisco and Spain and whatever.

They're great businesses if you run them right.

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And how many people work at MetaLab now?

I think it's about 170.

How often do you say to yourself?

I'm not sure if the headache is the headache of having 170 employees is always worth it.

Well, it's very abstracted for me, right?

I haven't been in the business for five or six years.

And the way we run tiny now is that we meet with the CEO once a year and otherwise they check in whenever they need help with anything.

And so when I was running it, like first it's exhilarating, running an agency is awesome.

When you're starting out, you get a seat at the table and all these places you don't deserve to be.

I was like a 22 year old pipsqueak and I was meeting the founders of Pinterest and Slack and all these amazing places.

And they were asking me for my opinion, right?

It was crazy.

But at a certain point you get so exhausted, you're making a good amount of money.

You don't want to get on a plane to San Francisco every second day to go and sell.

And at that point, it starts to become a much more intensive business.

And for me personally, I don't enjoy running businesses after about 15 or 20 people.

And so once I hit that point, I knew I needed to transition to a CEO.

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 work day 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).

So when we're in the document, you say the pros and cons of bootstrapping and only 100%, what do you have under those?

Well, I think that I've changed my opinion a lot on this.

Like when I first started, I was like a Jason Fried, David Hunter Meyer, Hansen, Accolade, like 100%, every business should be bootstrapped.

I now think that's crazy and stupid.

And I think there's certain businesses where it's insane not to raise money, right?

If you have an opportunity to grow your business, it's like the analogy I always use is if you own a bakery and there's a line out the door and you have a single oven and you need to

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buy three more ovens, but you don't have the money.
And in order to service the people in the line, you need to buy two more ovens.
It's crazy not to raise money or go get debt or something.
I just was never in that position.
And I think owning 100% or owning majority in your business, it's like a dictatorship.
And dictatorships can be very good, like Lee Kuan Yew from Singapore, or they can go terribly like Kim Jong-un, right?
And the question is, what's your personality and what's going to work for you?
I mean, you can move insanely fast.
There's no board.
There's no committee.
You don't owe anyone anything.
You don't have an outcome.
You don't have to IPO.
You don't have to sell.
And you have total integrity.
Like when Chris and I buy a business, we can look people in the eye and be like, we're cutting a check.
Like this is us, right?
That's very different.
On the cons, I mean, you're on an island.
You don't have anyone to really who's aligned and cares and can tell you you're being an idiot.
And so you can really drive your business off the rails.
And then you also think in a limited way.
I mean, I know so many entrepreneurs who could 10x their business, but they're so addicted to their dividends or they're conservative.
And so they don't.
So it's just very nuanced.
I raise money for our podcasting software company, Supercast.
I'm going to raise money for our news business.
There are situations where it's logical.
What about that conversation of employees saying they want equity and you don't give equity?
There's certain businesses, there's certain businesses where we do and there's certain ones where we don't.
Right.
And the big question is what I always say to an employee is equal risk, equal reward.
And if the business is going to sell at some point or we think it can IPO, great, love to talk about equity, but there's a cost to it, right?
If you want to make 300 grand a year and you don't want to give up any of that 300 grand in order to get stock options or buy equity, then it doesn't matter.
So I loved, I love giving people the option and saying, look, you can either give up some

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of your comp or upside or whatever, and we'll give you stock options.

Or you can get the big salary and prioritize cash.

And a lot of people prioritize comfort and cash, I find at least, you know, outside of the Bay area.

By the way, Andrew, you mentioned the guy from Singapore, Sam, do you know this guy Lee Kuan Yew?

I know a little bit about him.

I didn't realize he was a dictator.

I thought they called him like the CEO or something.

No, he's literally a dictator, but like a good, the good dictator.

Andrew, can you give us like the two minutes, two minute kind of summary of who this guy is and why he's awesome?

So effectively he took over Singapore as like an island, tropical island state in Asia.

And at the time it was like rice paddies, poverty, like a bog, and he literally took it over, you know, how did an autocracy had total control?

And he basically thought like a business person and was like, okay, how do we make this the most business friendly place?

How do we optimize taxes?

How do we ensure we have hyper competent government?

How do we pay government really, really well?

How do we incentivize the whole world to manufacture and export, you know, their products from here?

And basically built it into Asia's kind of outside of Hong Kong, I think it's like the central banking and finance hub in Asia.

So it's a pretty incredible story.

And I think his background is like, he's like a math and computer science guy, right?

Like he doesn't come from kind of this like, you know, political background.

He came from a different sort of background.

And I think that's why you got different ideas from a leader in charge.

Totally.

So you had one thing you tweeted out that's related to how you run the business at Tiny, which is this, this higher one, higher 10 framework.

What is that?

Because that sounded interesting to me.

And I think that that's like, from what I understood, it was a pretty useful concept.

So explain that.

Yeah.

So our CEOs get super annoyed because I say this all the time, probably the number one thing I say.

And it's probably the biggest hack that enabled us to build Tiny over the last eight years.

So I mean, think about it like this.

So if you had an army general who is commanding a thousand troops, but he's still telling individual soldiers what to do and he's personally restocking their ammunition and he's shuffling

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people around.

You'd be like, what the hell is this guy doing?

Right.

But I think a lot of people operate their business like this.

I mean, I certainly did in the early days, I would swoop and poop.

And you know, instead of hiring a VP marketing, I would go and I'd hire a whole bunch of marketing people and just kind of become the VP of marketing.

And or I'd bypass people and tell people what to do.

And what I realized is you should never, ever hire the 10 people you should always focus on hiring the one person.

So that could be a CEO who will then go out and hire all the executives or it could be hiring an executive who will hire an entire team.

But it's just, it's such a hack, right?

It's like 80, 20.

How do I do 20% of the work for 80% of the result?

And yeah, I mean, it took me ages to figure this out.

I feel like I've only cracked this in the last like five years and I still, Chris will still catch me in this.

He'll be like, hire, you know, hire one to hire 10.

But when you hire that mistake all the time.

And when you hire that one person, how much?

So let's say your business is doing, let's say one million in revenue.

It's small.

No, let's say a little long, let's say 10 million in revenue, two million in like actual cash flow you have, you hire that one person, you pay him a lot of money, \$250,000.

Did you only hire that \$250,000 person when you know for a fact you've got budget for like two more people?

Yeah.

I mean, that's my approach.

That's why I've shifted to is like, I hire, you know, here's an example is like, we hired the CEO of Aeropress and he asked me questions, oh, you know, what do you think about this hire or that hire?

And I just said, that's your, you know, that's your hire, you know, I hired you, I trust you 100%, you make those hires, right?

And so it's complete delegation of, you know, when I buy a business, I make two decisions, who runs it and how are they incentivized?

And unless they do something dirty or horrible or the business goes to shit, you know, I just leave them to it.

What's the trick on the, how are they incentivized?

So what's the, how do you think about that when you buy a business and you say, all right, the business today is here.

And I think naturally it's going to get to there.

And I'm bringing on this person to get it to be some inflection above that.

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And I also know that things could go wrong.

So how do you think about that incentive structure?

Is it, is it case by case, you're coming up with very unique patterns or very unique, you know, packages, or do you have kind of one base that you, that you go off of?

It's so different.

I mean, like everyone's incentivized differently.

There's, there's certain people where, for example, they need to be able to say they're a partner and they have equity.

There's other people who don't care about that and they want just targets to hit.

I mean, we've done everything from saying, okay, let's say the business makes a hundred million dollars and it's growing at 15%, you, anything you do over 15% growth, you get 5% of, right?

That's in its simplest.

We've also done things where it's like, you know, hey, when the stock price hits X, you get a payment.

And I remember I got to have dinner with Charlie Munger like two years ago and I was like, what's the perfect, you know, incentive structure?

And he just said, I've done hundreds and everyone is different and I still don't know what works.

I think it's really an art, not a science because, you know, different people are just so differently motivated.

And you actually, like,

What's a mistake?

So you, sorry, one more Sam, when, when it's usually, usually when it's like, ah, it depends, there's, there's, what that usually means is the winning formula is different a lot, but there's usually a common losing formula.

So what is the common losing formula for incentives?

The common losing formula is them not being aligned on risk.

So for example, if they're able to use my money and I can keep injecting money into the business, but it in no way hurts them.

So for example, they don't get diluted or they don't have to pay a high interest rate or, you know, if it goes bankrupt, they don't lose anything.

That's a huge problem.

And I've learned that over the last five years.

And so now what I try and do is if somebody wants equity, I always make them write a check, right?

Or, or I loan them money and it's literally a personal loan guaranteed by their house or something, right?

And it's got, it doesn't, I don't want it to be so much money.

It's going to ruin them or be a problem.

But I, if someone wants equity, I'm like, okay, you got to put up something because if the business fails or goes down, you got to have a sense of loss.

People feel a lot.

The people feel lost more than they feel gain.

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I just imagined the Wilkinson moving truck coming in front of the house to like, no, honey, it's all gone wrong.

You have to come and pay your own furniture, your own art on the walls.

They get to live there, but they have to know that it's your house now.

And they truly have fucked up.

We have done it.

We obviously, you know, I never want to do that.

It's always structured in a way where it's not, you know, we're not going to have to take their car or something.

But I just want, I want a feeling of like, there's got to be some downside, you know, Sam is going to take this way too far.

He's going to take their car and it's like a punch cross.

I get to punch you just because if you lose my money, I'm going to punch you.

Yeah.

I love this game.

You, uh, you also, speaking of that, of risk, you also hire people really early.

You told me, um, I don't know if you talked about this, but you were tinkering around with this bake.

Do you want to talk about the bake?

Can you mention the bakery or no?

Yeah.

Well, the bakery's kind of sad.

No, sorry.

Not the bakery.

The, the, uh, the ghost kitchen ghost kitchen, you tinkered with this thing where you hired a baker and you were making stuff to sell on door dash and Uber Eats.

And I don't know if it was entirely legal, so we don't have to talk about it.

But the point I'm bringing up is, is that I can, I can, I can tell the story and let me ask my question.

Sure.

Sure. So basically, you know, I'm pretty interested in health and stuff and I was trying to get off sugar.

And so I went to a baker friend and I was like, look, can you try and make like, like sugar free cookies using modern, you know, there's always like crazy modern sugars like the magic spoon.

Yeah.

Yeah.

Like magic spoon uses, uh, allulose and stevia and monk fruit and stuff.

So he started making these and I was like, okay, these are like not as good as a chocolate chip cookie, but they're like 90% there. And I bet you a lot of people would be into this as like a replacement, like think about Halo top.

It doesn't taste as good as ice cream.

You can eat a fuckload of it and it's not bad for you in the same way.

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So I basically made that we started making all these treats.

We were cooking it out of our office, which is not technically legal.

And what happened was, um, I got a call from Island Health, which is like the local health authority and they just said, Hey, you're using an ingredient that's not approved in Canada. And unfortunately, allulose is not approved approved in Canada.

And so you just legally can't serve food with it, even though it's generally regarded as safe and everything.

Um, so I'm still going to do it at some point, I think, but I just legally can't.

It sucks.

And I've never, it's insane to me.

You can hit up against these regulatory issues.

Like imagine being a real estate developer and like you have this amazing vision and then city council is just like, nope, like that is insane to me as an internet entrepreneur.

And that's what I was going to ask.

So you like hired a baker to do it, but then also with your newsletter business, your local news business, you hire, I forget the guy's name, but he's, I've talked to him a bit.

He's a nice guy.

You've hired him to be the CEO.

And so you, you hire people pretty, yes.

And you, you hire people pretty early on and hiring someone to do something to me is a huge risk because in my head, I'm like, man, if this guy's got a kid, like I'm like his kids now kind of my kid too, um, you know, like it's like a big risk.

If he's quitting it, that's how I felt when my, when my, one of my first employees got married, I was like, Oh, I've got a family now.

Um, cause I was like, some of the decisions I make are going to impact this entire family.

And that's really stressful.

And it's also a huge conversation to convince someone who's in their thirties, forties or whatever.

And they're even in their late twenties to leave their fancy gig at Salesforce to bail and come to my company and I'm going to pay him \$45,000.

That's a huge thing.

I go, when I go to bed at night, that stresses me out, but you seem like you overcome that pretty easily.

You hire people relatively early and you're like, yeah, it's no big deal.

I'm just going to hire this person.

What's that like?

Uh, like, what do you think?

And when you do that, well, I've lost, I've, I've messed that up a lot.

And I think you guys know my whole story about losing \$10 million building project management software.

Like that was a perfect example where I got ahead of myself.

The business didn't make sense.

And I threw a bunch of spaghetti at the wall and none of it stuck.

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And I had to let a whole bunch of people go and it was really horrible and sad.
And, you know, it was like a 10 year slow death, right?
So I've been through that.
So now it's more, uh, with the amount of scar tissue I have, I have enough, I have enough signal where I can be like, okay, I'm going to try this.
And with the bakery, I was just contracting a friend.
Right.
That was the best example.
I said, this is an experiment with the news business.
I actually ran it for three years before I partnered with Farhand and he took over as CEO.
And by that point, there was enough signal.
It was slapping me in the face.
I was like, this is a big opportunity.
And is that the case with all, with all the things that you start?
We take that.
Yeah, usually like if I, if I go in, I hire a CEO, I'm pretty high conviction that there's something there or there's already a business that supports has cash flow.
What I would never do is be like, Hey, there's a, you know, I have an idea for this.
I'll just go hire a CEO.
Like I would never do that.
Andrew, I feel like you've reached this point and, um, I used to be like, how did these motherfuckers do this?
Or I remember I was doing a startup and it was so hard to get my one thing to work.
And then I would meet people who were like, Oh yeah.
So I have that past success, then I have my current success.
And then here's my three side successes that I had this idea that we just started doing it.
And then guess what?
The lines out the door.
And then this other one, it's like kind of cool.
We just started it.
You know, like I accidentally, you know, my hand just fell on my keyboard and I accidentally wrote this app.
It was amazing.
It went viral.
And then there's other thing that I just tweeted about and then this all coming together nicely and I just remember being like, what, what do they know something I don't know?
Is there just like extreme luck component?
And I felt that way for many years, five, six years straight when I was pushing the boulder up the hill with my startup.
And then I now have experienced exactly what the thing that I was most jealous of and I have no idea what switched in between where like the last five things I've tried have

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all worked and all worked pretty much immediately.

And that doesn't matter how big or small, like, you know, whether it's like the podcast or the course or, you know, my e-commerce business or my the new Milk Road newsletter business.

Like each of these has just worked straight away in a bigger way than anything I've ever done before with less work and less stress than like the old stuff I used to do.

And I have no idea what changed or I have a kind of an inkling, but I don't really know.

Sam, have you thought about this or do you know what I'm talking about?

And what do you think?

I know exactly what you're talking about.

And I completely agree.

You're on a roll right now.

And what's your inkling?

I have a feeling of my my my answer is it's kind of like a shitty.

It's like a mindset, like abundance attitude and being on being on offense versus defense.

But what's your what's your what's your inkling?

So my inkling is that I switched up my situation.

So like I was in one situation for a very long time, like it was a nice situation.

It was a very nice situation.

But it was like where I was going to this office every day, working with these people in this hierarchy with this boundary box of like what projects or projects we can work on and like what success might look like.

And as soon as I got out of that and I was just me, I was like, oh, OK, so now that it's just me that I have to look out for, I guess I could just do a podcast.

I didn't have to have like this big venture billion dollar outcome.

I didn't have 20 engineers to go tell what to do.

I had no engineers.

So I just did what I could do with no engineers, which was like, I'll do a podcast.

I'll do a course.

I'll do.

I'll make it big on Twitter.

Let's see what happens.

And oh, you know, like five tweets go viral and boom, got 200,000 followers.

It's like, there's these things that I just wasn't doing before because I think before

I had a really set thing of like, here's what I need to do.

Like here's the only way to win.

And I had like almost too much ammo.

I had like too many people at my disposal, too much funding, too much everything.

And because of that, I had a very narrow window of what could work.

And so I was just trying to come up with ideas that might work versus, oh, let me just try this because I'm, I just kind of want to try it.

And then when, once I got into, I just kind of want to try it and I didn't have it.

I didn't have to worry about what other people thought or I didn't have to come in and manage

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anybody in that day and tell them what to do.

I didn't have like investors to go pitch to.

I just did the thing.

And then all of a sudden I feel like, you know, sort of like all the talents that and skills that I had been building up over the past 10 years, like finally got to just do them.

Yeah.

Don't you think it's like dating or something though where it's like, you know, you date a couple of crazy girls and it's really exhilarating.

And then over time you're like, wow, that was horrible.

And there's pattern matching.

You're like, okay, when I go to a restaurant and a girl's rude to the waiter, that's a no.

Right.

And in the same way with business, you go, oh, okay.

Like I used to think I wanted to build all these kinds of businesses, but those were 10 foot hurdles.

I don't want to jump 10 foot hurdles.

I want to jump one foot hurdles.

And so if you think about it, all the stuff you're doing, they're in your, you know, circle of competence and they're relatively simple to execute.

They don't require a lot of people.

They don't require funding.

I think learning that is like a 15 year overnight success kind of thing where it just clicks suddenly.

Right.

And I'll catch myself occasionally getting pulled down rabbit trails of like, oh, what if I did this crazy, you know, drone AI startup, whatever.

But then I always go back to base hits and there's this third component of confidence.

And so I think that because of like my work, I've been more confident and I understand like, well, if I invest a dollar here, I think I can make at least \$3 the next two years.

So like just understanding how machines, like money making machines work investments.

But then also I think Sean, because we get to hang out with, we hang out with each other, we hang out with Andrew, we hang out with our circle of friends, we hang out with all the people we've had speak at our events.

We hang out with our podcast guests.

It becomes more normal, like succeeding has become far more normal than not succeeding actually.

And not succeeding is just like, oh yeah, it's going to happen, but then you just move on and you do the next thing.

And it's like, and then inevitably it works.

So it's not if it's, or it's not when it's if, and I think that confidence has actually helped a ton where so for example, now if someone wants to like real estate is an easy

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one because it's so predictable, but with real estate, you're like, oh man, putting a hundred thousand dollars down on this house is a lot of money.

That's a, you know, that's six figures.

It's like, well, dude, but it's going to make 12%.

It's like, well, I don't know that.

And I'm like, yeah, I know, but it's going to do that.

So you actually want to invest more.

So like that confidence of just knowing the motions and knowing the routine and process has actually helped a lot.

Totally.

Yeah.

The other thing I was going to say is, which is what you guys both just said, but framed differently is I was taking a shitload of market risk before.

And now I basically take almost no market risk.

I just take execution risk.

And before, even if I felt like I executed great, which I did, I feel like I did in a couple of the projects that we had done and during my kind of like the previous startup, the market risk was too high.

Like there was just no, it was like inventing a new fucking, like a new science, you know, on a new land.

And it was just the market risk was way too high.

Now I'm just doing things that are like, oh, I just know that this works and I just need to do it well.

So it's like e-commerce is nothing.

There's no fancy science to it.

And I had buddies who did it and I just used their model and I just did my own in my own lane of their model.

Milk Road is the hustle, but in the crypto lane, which is the crypto lane I like, right?

But it's like, I just took your blueprint for the hustle and I just copy pasted over here and then it's execution risk from there.

I know, dude.

I saw that you literally copy and pasted the Twitter handle.

It was hilarious.

Your Twitter description is literally copy.

I sent you some old resources from the hustle and we call themselves your smart, good-looking friend or something who tells you everything you need to know about it.

You just copy that and you put, it's not a business attack, you just put like delete crypto or something like that.

And actually the thing is it wasn't even, you know why I did that?

I remember seven years ago or eight years ago when you first said that to me and the very first like, you know, like you kind of sat me down here like, look, people are not, people are age, like we don't watch MSNBC and like CNN and this stuff for our information.

That's not the brand we trust.

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And you said it, you're like, I just want to be like, they're smart.

And I remember you said it.

I sort of be like, you're smart, no bullshit friend who just explained and tells you what's going on.

And I was like, I like, it clicked with me eight years ago.

And so when it came time to do this, I was like, that's the exact description, the smart no bullshit friend.

I think one more thing, Andrew, is that I look at, I used to, you kind of said that Andrew, in terms of like financial success, which is a big, but not only measure of success, Andrew, you're like a grand slam at the moment, you know, you're, you're, I imagine you're incredibly wealthy and you've built businesses that are incredibly large.

So by that measure of success, you are like way out there.

And for a while, I think I like, you were like mystical to me where I'm like, how does he doing this?

Now it's changed to where I think I acknowledge that you definitely have talent that makes you special.

You for sure have skills that make you special, but really a lot of it is also, I don't know what percentage of it is each, but let's just say a third, a third, a third, a third of it is, well, he's just been doing it for like 15 years now or a certain amount of time.

And he just like took the risk of raising or building the business.

And then he raised the money a little bit for the fun.

And so it's not a matter of like, how is he doing doing this?

It's just like, well, if I want that life, like I probably could do it.

I just have to dedicate 15 or 20 years and go through the same motions that he does.

And that may or may not fit the, what I like.

The interesting thing is, I don't know if you know this, but Warren Buffett made like 97% of his wealth after the age of 55.

So it all happens very slowly.

He started in his 20s or whatever, and he wasn't really well known until the 90s.

And the same thing happened with us where we didn't really talk about what we did.

People would meet us and they'd be like, oh, you're some schmose from Victoria who owned some digital agency.

You seem to own all these really boring businesses, you know, whatever.

And so it requires being kind of underestimated and dismissed and playing a very boring game while watching everyone else go and make, you know, tens of millions, billions of dollars taking risk in startups.

Meanwhile, we're just going, how do we take, you know, a hundred grand and make 10, 15, 20 K a year on that money and just keep compounding.

And so basically the mental model was take 70% of our profits and constantly reinvest.

Take the other 30% live a nice life and that number went down over time.

And yeah, you do that for 17 years and it turns into a, you know, a big number.

Ironically, I still feel just as at risk and terrified as I did 15 years ago.

You think that's real.

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And I think it's the classic thing of, you're not, you're not actually scared, are you? Because I have liquidity now and I'm, I'm scared, but I'm like, am I as scared as when I only had \$20,000 in my bank account?

I can't decide.

No, no, no, no, but it's, it's maybe it's different for me because, you know, I have an, for, if you told me 10 years ago, how much, you know, cash we have or what our cash flow is, it would blow my mind and I'd say, how could you ever feel at risk?

The problem is that the stakes are bigger.

You know, we have almost a thousand employees now, right?

So there's a lot more, you know, there's the stuff that can go wrong.

Do I feel that I've built out a castle with a whole bunch of motes and stuff?

Yeah, absolutely.

And I'm better diversified than I was 10 years ago, but there's still that kind of dust bowl farmer mentality, right?

It's actually something I want to talk about.

Like just we all kind of have this feeling of like the way I'd put it is I started shopping wood just cause I was anxious, right, like 15 years ago in my backyard and my neighbor pokes his head over the fence and he's like, Hey, can you chop some wood for me for my fire?

I'll give you 20 bucks.

And I'm like, okay, amazing.

I didn't know this was a business.

And then before I know it, I've hired three or four buddies.

We're all chopping wood in the backyard.

We're a merry band.

We're selling to the whole neighborhood.

It's awesome.

I love it.

And then one day 15 years later, I wake up and I'm in a sawmill and I own 15 sawmill mills.

And all I do all day is file papers, but there's still this part of me that beats myself up for not chopping wood.

I still have this mindset, even though all the machines do all the labor, there's still this part of me that's constantly saying, you need to chop wood.

You need to chop wood.

And so I think you're going to, you know, you guys have this for sure.

Like it doesn't matter how much you have, how diversified, whatever it is, you have a need to do labor and there's an anxiety that you're harnessing to perform.

That's a good ass analogy.

I'm not going to lie.

The first 30 seconds while you're explaining it, I thought you legitimately took up woodchopping as a hobby and I was like, oh, that's cool.

It must be cathartic.

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And then I realized I was inside of a Charlie Munger, Warren Buffett analogy, like parable. You have this thing on here that's pretty cool.

Bad guys usually win.

As a bad guy myself, I would love to hear how this...

What do you mean by this?

Oh, man.

Okay.

Do you think you're a bad guy?

I've got a story.

I don't think you're a bad guy.

I was joking.

We go ahead.

I think a bad guy is a full on con artist who lies and hasn't achieved anything.

I call myself a bad guy rather than calling myself a good guy and having all the comments on YouTube tell me I'm a bad guy.

It's easier just to call myself a bad guy and have people tell me the opposite.

Or bad meaning, not bad meaning bad, but bad meaning good.

That's how it is.

So I'm sure you guys have had this experience, not kind of anonymized this story.

In this case, it's a bad girl.

Bad girls usually win.

So this happened to me like almost 10 years ago.

I was really overwhelmed.

I was running like five businesses.

I got introduced to this older woman and she had just sold her business for 20 million bucks.

Super successful.

And she kind of says, hey, I'll mentor you.

I'll help you out.

And so she comes over to my office.

We start whiteboarding and I'm just like, holy crap, this person is a genius.

She could help me so much.

And so first she's an advisor and mentor.

And then eventually she's like, hey, how about I come in and I'll help you with marketing and sales.

And so I inject her into the business.

She starts killing it like business takes off, everything going great.

But I did zero diligence, right?

She legitimized herself by being the super successful person.

And because she was so successful, I was just grateful to have her.

She was like a miracle and made all these problems go away for me.

And then suddenly the cracks started appearing.

So people started saying she was lying.

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She was spending money in weird ways there.
Her expenses were out of control, staying in crazy hotels, all sorts of stuff.
And it turned out that she was lying and like falsifying documents.
She hadn't sold her business.
She wasn't rich or successful.
And when I called a bunch of people that she'd worked with in the past, like a bunch of them had had terrible experiences, right?
So we fired her, we move on.
And I'm in this very odd spot where ethically, I want to be like, okay, this is a bad person. I want to shoot up a flare and I want to be like everybody watch out, right?
And I'm thinking like, okay, people will diligence her, they'll call me.
She won't be able to keep pulling this off.
But legally, I don't know what it's like in the US, but in Canada, when someone calls you for a reference call, you're quite limited.
You can basically just say, you know, I wouldn't work with them again and do your diligence.
And so I usually say, I'm not a lot of talk about it.
And they get the hint.
Right.
That's smart.
I said a bunch of stuff like that, like, you know, I, I would never work with this person again.
It's one of the worst professional experiences in my life, whatever.
But almost always those people go on to work with them and you realize these people are just incredibly charming and they always assume you're the bitter ex-girlfriend, right?
Because they've obviously buttered you up and told some story.
And so this woman, you know, I'll see her on LinkedIn and she's still succeeding and going every year, she's somewhere new.
And you know, people like this, they don't get super rich.
They're so short term.
And if they only knew how much money you could make by not being a crook, they would probably be ethical.
But it just, it was so sad to me.
And I wanted my sense of justice was like, I got to put a stop to this.
And you just realized like, no, like you just have to let go.
Never wrestle a pig.
You both get dirty, but the pig will enjoy it.
And so, you know, these people are out there and they continue to succeed.
And unless they're Elizabeth Holmes and they get, you know, in the Wall Street Journal, they're fine.
I want to know who the person is.
I will never say.
You had another example of a guy at a famous company who, you know, you had some fraud or you had some issues of people not being honest as well.

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Remember, you told me that about that one folk.

I don't know.

I don't know which one that is.

I mean, look at like you guys talked about Navine Jane on a podcast, maybe like 10 episodes ago.

And I mean, like there's a perfect example, right?

There's this guy who basically did a pump and dump.

That's my understanding, alleged, alleged pump and dump.

But these people go on, right?

Unless they're criminally indicted and even, you know, people who are criminally indicted, look at Michael Milken.

Michael Milken was literally, uh, front running his own investors committing tons of like outright fraud that if you were his investor, you would hate, went to jail for 10 years and now he's lauded as a philanthropist.

I mean, or how about him always win?

I mean, do you know the guy?

Do you guys know, uh, grub, I think his name is Grubash.

He's G is what people would call him.

He's a, I think he's Indian and Indian guy, Indian American.

And he started a thing called gravity something.

What was it called?

Gravity four, gravity four.

And then he started another one called like radium, blue radium.

Is that what it was?

And he, radium one, and he got arrested.

He was on Oprah as this like, you know, uh, \$150 million man under a 30 or something like that.

Like the best bachelor, most available bachelor, all this stuff.

He's good looking guy.

He got in trouble three, two or three different times, both times he basically locked his girlfriend in their apartment and it was, there was a camera there.

I don't know what he was thinking.

And he was hitting her and just being an, I mean, he's just a horrible guy.

Got arrested, spent time in, in, in, uh, jail months, got out, raised money again for starting the same company.

Now he's overseas cause he's kind of burned all of his bridges here in, in San Francisco in America.

He's overseas.

I think he raised money again for another ad tech company.

This is the hard part is if someone is a, I mean, typically someone who does bad things like truly unethical things, they're either a psychopath or a narcissist and they're very, they're very charming.

They're very compelling.

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They're fun to hang out with.

They're fascinating.

They're great to listen to.

It's hard not to like them.

I mean, one, one actually heuristic after having that experience is I actually had a company that I looked at investing in and I liked the CEO so much and he was so compelling that I didn't invest because it made me suspicious, right or wrong.

I was just like, I left the meeting and I was like, I would buy anything from this guy and I just want to give him all my money right now.

And I stopped myself and I was like, this is that feeling, don't invest, right?

I probably made a mistake, but you know, maybe I'm too concerned, but it's crazy.

No, I'm the same, I'm the same way and I'm willing to throw out the good with the bad just to steer clear of the bad because I know how intoxicating that type of grifter is.

And you know, I've actually put in some, like you talk about airgapping for like, you know, security purposes.

I've now done that on decision making for some investments as well.

Like, so Andrew, you sent out an email to me, Sam, a couple others about a business that you're raising money for.

And it's a really great email, like it's a truly great email.

I got to give you a lot of credit and I actually wanted to ask you, Sam, Sam, help me with that.

I was going to ask you what goes into writing an email like that and I had the master copy right there.

You had a secret weapon.

Okay.

So for the record, I barely touched it.

I barely touched it.

I read it and I was like, this is actually great.

And it wasn't, it wasn't like, oh, the writing, wow, this, this sentence structure was so fantastic.

Obviously that helps.

But it was the thinking.

It was the way of framing the business and the opportunities, telling how you stumbled into the opportunity, what type, you know, like your, your analogy to, you know, complete this if you want to Chipotle, like you really did a good job of framing this business.

And it was so good, in fact, that I said, I am not going to reply to this for like at least 48 hours because if I read this email, I'm going to say, give this person my money instantly.

Like it was almost like whatever out of 10, the business opportunity was, it was a 10 out of 10, like pitch.

And I actually, when I look back at businesses that I invest in that I go on to do well, it's usually actually a nine out of 10 business opportunity with a, you know, sort of five out of 10 pitch.

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And in fact, it's only midway through the conversation with this person that I'm like, Oh, wait, so you basically have X and they're like, yeah, I'm like, well, why didn't you just say that?

And they're like, well, no, I did kind of, right?

And I was like, Oh, dude, you have no idea how to pitch your own business.

But that to me, once that happens, I know, wow, I'm actually like, I underweighted the opportunity because the pitch was so bad versus overweighting a business opportunity because the pitch is so good.

And that's become like a standard practice, yours was just one example, but that's become a standard practice for me of like, be aware of the 10 out of 10 pitch, be aware of the 10 out of 10 charm person that you want to hire, or that's gonna help you with your business. The biggest one that I've seen is you get this uber charming pitch and then you say, okay, what could go wrong?

And they say nothing.

Right.

Right.

And you're just like, no, this is insane.

This is terrifying.

I've had like five or six different pitches where that was the one signal and it went to zero or bankrupt or criminal.

How's the news business going?

It's good.

It's really good.

Actually, we just hit a profit in my hometown in Victoria, our first market.

We're now in eight different cities and I'm super stoked about it as you can witness based on that email.

That email, how quickly, because you might have a knack for just understanding and framing businesses.

That's probably a superpower of yours.

I think he has that.

How quickly did that come together for you?

How quickly did I write it?

Well, I mean, it's something I've been thinking about and kind of talking about a little bit publicly for two or three years now.

So I had all the analogies and stuff formed.

But I mean, I wrote that in like an hour or two and then Sam just helped me touch it up.

And then my typical writing structure is I'll write something in the first draft and then I'll sit with it for two weeks or something like that.

So I sat with it for a week and then finally I sent it out.

But it's crazy.

I don't know if you guys get this, something that drives me insane is I get all these emails from people who are raising money and it's literally just a template.

Like it almost looks like they're sending it out with Salesforce or something.

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The formatting is wrong.

It's generic.

It's not properly addressed to me.

And I always think like what I was trying to do with that email is I wanted the first sentence to hook you.

And so I think the first sentence in that email was in 2019, I was pissed off, right?

And then day, you know, line one, you're like, what's you pissed off about?

What's going on?

Right?

There's a bit of a hook.

Nobody knows how to use those copywriting tools to pitch in written form.

I think a lot of people are very good at pitching, you know, in an actual pitch setting or whatever.

But yeah, it's been a great tool to be able to do those tweet storms and emails and stuff.

The most important sentence of anything you write.

It's the first sentence.

Let's just stop.

Well, I love that one.

What's the line that you said?

Let me be very clear, right?

And you're just like, oh, shit, like this person means business.

What's going on here?

Yeah.

So it was fucking good at this.

And in fact, I made the criminal mistake when I asked you this question, which is if you go to Michael Jordan and you say, Mike, how do you jump so high?

If he's being nice, he'll try to answer something, something, but it's not going to actually tell you in the same thing.

You know, Steph, Steph Curry, how do you shoot your jump shot to be, how do you shoot better than anybody else?

People who are truly great at something, they have very low awareness to the actual like how, why, and what is making it so great.

And there is a way to ask questions about greatness, but it's not how do you do the thing you're great at because people will sort of fumble around and they'll try to tell you something.

But it really has nothing to do with with how they do the great thing.

Like for example, what you did great in that email was first you decided to not make it a template.

That decision probably comes from some view, some way that you view the world and like that you observation you had about pitches that were coming to you that most people just don't have.

The second thing was when you frame the business, you use the analogy of like these local franchises.

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That was because you had studied other other great businesses just for fun. You probably studied the business of Chipotle and McDonald's and other businesses. Not that you were ever going to start a restaurant, but you stored that somewhere in the recesses of your mind.

And then when you saw something else that was a local franchise, you knew how to like apply that.

And so like, you know, it's very hard to actually describe what goes into the art of making that happen.

Right?

Well, not only that, but being able to communicate a moat, you know, why does this have a competitive advantage?

And in this email, I kind of go through the history of the news business, local news, why local news is so much more, why it has a better moat, right?

And you think about it and you go, why would that be interesting, you know, 50,000 people to 300,000 person cities?

That seems like a small market.

But in reality, it's the stuff nobody wants through fishing where the fish are off the beaten path and you can dominate a local market.

You've always done this.

So I actually read your email when I was, when you sent it to me in Google Drive and I was like, oh, this is really good.

I'm going to, because I was putting together this course where I just like aggregate good writing and I sent it to people and I was like, oh, I got to, I'm going to use some more of his stuff.

Let's see what's out there.

And I went and read all your stuff on medium.

And I think there's like 10 or 12 things or something and you follow the same format over and over again, which you, it's, it's, you clearly are influenced by Warren Buffett and you're influenced by like traditional storytelling tech techniques.

But if you go to your medium, you're actually pitching your business on medium constantly. You're just not actually, there's just no call to action.

So you don't actually care if it seals a deal.

But there's like things where you're cat, you have a headline called, so you didn't mean to do this, but you could have done this.

So it could have been, we're raising a million dollars for our company, but instead you made the headline where you, the headline was Joe Rogan could be the world's first podcasting billionaire.

Is that what it was?

That was at it.

No, it was, he got, it's Joe Rogan.

First is Joe Rogan got ripped off, which is funny because he just signed \$120 million.

Yeah, that's what it was counter.

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So that was, it was a good S headline.

And then you explain, so the emotion there was shock, which always does really well.

So you're shocked.

Like, what the hell?

You're saying that he got low ball.

\$100 million is so much money and you're like, no, you see it's nonsense.

You see Howard Stern does this, Rogan could have done this.

It just so happens that we have a company that does that.

That's how I know about it.

And then like, if you wanted a call to action, so you have your attention, interest, desire already there.

If you want your action to make this a full ADA formula, you could have been like PS, of course you can't do this.

But you go to the PS, we're raising money for our company.

And see, this is, this is like you've, you've always said like the most valuable skill is copywriting.

I think both of you guys have said that like a hundred percent.

I, I truck up the only reason MetaLab worked was because we would pick fights, we'd write these controversial articles and we knew how to like, I, I, if there's one thing I'm good at it's just like taking, um, taking a boring topic and just finding a wedge and getting people going on it and that always results in people knowing of you and passing your name around and you become a topic of conversation.

And it led in our case to lots of client work and other stuff.

So I, if I think everyone needs to read the book made to stick, that was the book that like really clicked for me.

I don't know if you guys have.

He thought of Stanford.

It's awesome.

They talk about this totally.

And it's that one, the first line, the first line just has to hit you the, um, the best thing you do.

And I think, uh, if I was going to break it down, the middle of your writing is, is like inspired by our influence by, you know, some, some ways Warren Buffett, but your, his stuff is very dry.

Right.

Warren Buffett grew up without the clickbait generation.

He doesn't need to, to do that.

Uh, but like 37 signals.

So like DHH or Jason Fried, like to me, your writing is so similar to theirs that I can tell, you know, that was like a, you know, pretty major influence on it.

And one thing that they do amazingly well is they, they will basically pick a fight while simultaneously taking the moral high ground.

And I think you do that amazingly well too.

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What I mean by that is you'll say like, you know, Joe Rogan got ripped off, but you're not, you're not criticizing Joe Rogan.

You're actually saying, uh, you know, Joe, you sold yourself short and an artist and a creator like you should not sell yourself short for some, to some company who's going to take advantage of you here.

And so you're taking the moral high ground while picking, you know, going against the grain and like sort of doing a call out, which is amazing.

Most call outs just basically it's somebody, you know, slingshotting from the crowd.

And you know, they're sort of a sniper that's like, you know, angry at them.

And so I've never been able to do this, but I've noticed that you do this and 37 signals does this amazing.

Well, they'll say Facebook is overvalued and they'll talk about why Facebook is overvalued.

And then they'll talk about, you know, like we, sorry, we're, we're just the kind of guys that like businesses that have actual revenues and profits, but you know, call us crazy.

And so they're taking the moral high ground and they're saying that this Facebook valued it at the time it was famously like billions of dollars.

I would argue, I would argue those guys would not be where they are today without copyright.

And I think that's like the sawdust from their sawmill, right?

It's like, Hey, we got fucked on the app store.

What would most people do?

Okay.

We'll just go in with Apple.

They use that as the biggest marketing opportunity ever.

They were on every talk show.

They were, their names were everywhere.

I mean, they also got kind of canceled as well.

So there's a cost to that, but they've done an amazing job and that's a hundred percent where I learned it.

I, I worship those guys for years.

I call it like the Malcolm Gladwell effect.

So with Malcolm Gladwell, you read his books and you have to remember that a lot of what he's saying is just theory.

There's no, there's some proof that it's real, but it's, it's not proven and, but he's such a good storyteller that you think like, Oh, what you're saying is just a fact.

Like his, he, have you heard his story about David and Goliath?

It's wonderful.

And he like, he's like, actually, David and Goliath wasn't that hard of a contest because it turns out Goliath was like mentally challenged or like had some issues where he like, and he's also blind.

He couldn't see.

He, he, he had, like, he had this thing where he was so big that it ruined it, like gigantism or something like that.

And so, and then also like David was a shepherd and they're actually so good at throwing these

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rocks that they could take a bird out of the sky.

So it's really like basically taking a big, dumb, blind giant and shooting him in the head with the gun.

It's really hard.

And like, that's his argument about, he's like, David Goliath, it's, it's nonsense.

And is he right?

I don't, there's no proof.

Who knows?

Is David Goliath even real?

We don't even know that, but you like hear this story and it changes you.

But the problem that I have with base camp and other good writers, and this is something that you have to be really careful of.

I, I work on all the time.

I'm like, I can be such a good storyteller that I can get you to think that something's real even though like I'll tell you, but there's no proof.

But like, I'm going to write it in such a way and base camp does this all the time where they say, well, they'll write something and I'm like, Oh, this is the truth.

This is how the world is.

And it's like, well, no, let's, let's not forget.

This is an opinion.

Right.

Totally.

And there's lots of nuance and going back to what we're talking about with bootstrapping.

I, I read all their stuff.

I drank the Kool-Aid and I, you know, I love those guys.

They built an amazing business, but you can't just have that perspective.

It's very nuanced.

There's, there's, you know, like I said, there's so many situations where it is logical to raise money.

When we talked to DHH 10 years ago, he'd say sales force and Facebook will be bankrupt in 10 years and this doesn't make sense.

And again, I love these guys and I know them both.

They're awesome guys, a huge fan, wouldn't have built my business without them.

But I do think they, they present everything in a very black and white way, which I think benefits them in a, because it makes them more compelling.

No one wants to hear nuance.

This has been a good pod.

What do you think, Sean?

Yeah, it was good.

There's, I mean, there was a couple of others we wanted to do, but we're way over.

So we should, uh, we should wrap it and do another one soon.

I know we didn't get to, yeah, I think we got like, we have like, we have like 20 topics to do.

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So here's the five pillars of happiness.

Like, do I want to be happy?

I should probably ask about that one.

Like, I would like to be happy.

And then the Jamie Dyson thing, there was the whole, you wanted to come on because you're like, I read this book about Dyson, I want to come and talk about it.

We didn't even talk about it.

Oh man.

I'm so excited to talk about him.

He's incredible.

Well, let's do, let's do another one.

Unless you have time.

I don't know.

We could, we could keep going if you want.

Let's do another one.

And we'll do Dyson and his mothers.

Yeah.

I got a, I got a roll.

I got a lunch in 12 minutes.

All right, man.

Good, good to see you.

Okay.

See you guys.

That was fun.

I feel like I can rule the world.

I know I could be what I want to put my all in it like no days off on a road.

Travel never looking back.