

[Transcript] My First Million / Near Death Accidents, Hitting \$1B ARR, and Selling Like the Grateful Dead with Brian Halligan, Founder & Executive Chairman of HubSpot

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.

This is kind of like a movie, right?

So like Guy Builds, huge tech company, becomes billionaire, has life-changing accident, changes everything, gives it all up, explores the world, and becomes like a mug.

You've never met Sean, right?

No.

If you say something you don't like, you could just fire Sam, and that pretty much takes care of the whole thing.

I love that.

I've always wanted to fire Sam.

Yeah, exactly.

Okay, so you listened to the first episode, the very first episode, or just like a random episode?

I ripped through like a couple of little random things.

Okay, so you probably...

I heard you guys talking about Wright Brothers and some random shit.

Okay, and from that random stumble, describe what you heard.

What kind of podcast is this?

It's a podcast for entrepreneurs to get inspiration and ideas.

Yeah.

Okay.

By the way, I'm not being condescending.

I thought it sounded great.

What I heard sounded great.

I don't know.

I don't like something I would listen to.

That's what I was going to ask you.

Is this something you would have in earlier in your entrepreneurial career, I'd say?

Yes.

Because now you're a mister, I've made it.

You don't need that inspirational juice anymore, or maybe you do, I don't know.

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Never enough inspirational juice.

Look, he doesn't listen to podcasts like our Sean, he just buys them.

Most people listen.

I purchase.

I don't know what you plan on talking about, but one thing we could talk about that might be interesting is my snowmobile accident.

Yeah.

We're live now, so we're recording now.

Okay.

Yes.

We could do it.

I'll ask you about that.

I want to know about that.

Then also, we're going to talk to you about some different business ideas.

I've got a few that I want to ask your opinion on.

Let me do the super short intro.

This is Brian Halligan.

You were the CEO of HubSpot, now the chairman or executive chairman or something, very fancy like that?

Something fancy like that.

Yes.

Cool.

You basically, I think like two weeks, so basically HubSpot bought the Hustle My Company, and two weeks after, you got into a really bad accident, right?

And you broke a dozen bones, or I mean, it was pretty serious.

I was like, I hope Brian's okay, but also, I was like, if this deal, if this would have happened like two weeks before the deal closed, I wonder if that would have changed anything.

Yeah.

Because I was a big proponent of the deal.

I was really happy we did it.

I tell you the whole story.

It's a little germane.

Yeah.

Yeah.

I'm just going to go.

I was snowmobiling up in Vermont with my son, Luke, and we were right in the middle of nowhere, right square in the middle of nowhere.

And we were cruising along and he was, he was cruising along and I asked him to slow down.

He just kind of got confused between the gas and the brake and he put his, jammed his finger on the gas and he just panicked a little bit and we basically flew off a cliff and landed on a tree.

And I don't remember neither of us actually, he's 17, neither of us remember the accident

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at all.

And we were both passed out before the, we hit the tree and passed out after.

So we're both lying there in the snow, passed out.

I wake up first, I wake him up and we are banged up like, it's like a cartoon or arms and legs or, you know, we're a mess.

And I thought, this is it.

It's 430 in the afternoon, it's freezing cold.

4th middle of nowhere, no one knows where we are.

We're going to die tonight.

And I reached into my pocket and grabbed my phone thing and there's no way there's signal.

And I, I had three, I had enough signal.

I called 911, I never called 911 in my whole life, called 911.

She picked up, I roughly described where we were right square in the middle of nowhere.

And then they call in the troops and the troops in Vermont are volunteer firefighters.

They're not, you know, professional EMTs and ambulances and stuff.

And it took him about an hour.

And one interesting thing that happened is they kind of came, but one guy who found us came from below us and he marched up the hill and he's yelling, kind of yelling for us and we were yelling back.

And he finally got to us.

He starts to ask those questions, he says, wait, are you Brian Halligan?

I'm like, yeah.

He say, Hey, I'm Joey.

I'm the guy who plows your driveway.

I was like, that's a volunteer firefighter and they are bad asses, these volunteer firefighters.

So they strapped us to sleds, pulled us straight up out of the, you know, ravine back on the trails and then, you know, helicoptered us to the hospital.

When you're laying there, are you just in an incredible amount of pain?

What's broken incredible amount of pain?

What, what, what broke?

What was broken on your body?

I broke like 12 or 13 bones, but, but my, I could show the pictures, but my left knee, like my left knee, my tibia, my, my femur and tibia broke.

My right wrist broke.

My left elbow trashed my right left shoulder trash.

And then my, I already had a lot of loose screws up top and now the screws got even loose or just like, you had like a concussion or something.

Yeah.

I had a concussion and your son broke my, I hit the tree so hard it broke my helmet.

Oh my God.

And your son, he was banged up too.

He broke his femur, which is a terrible bone bone to break and he broke his knee and he got a concussion.

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So he was banged up and you had to like, you had to cut him out of the will.

I mean, after that, after this accident, he's doing great.

I mean, he's 17.

So he bounced back fast, like he was in soccer practice today and stuff.

So he's really, really bounced back.

You're sitting in this chair.

It looks like you're, you're not a wheelchair.

No, no, no.

I was in a wheelchair for three and a half months though, a good long chunk.

I can walk, I can drive, I can do like a light hike.

My brain is a hundred percent fine.

I think my brain is actually better and what percentage of you, you know, sort of attributes this to the hustle deal, the timing, it's too coincidental.

I mean, it was the adrenaline from the hustle deal, not the whole full thing.

You, um, and like, so basically, you know, I don't know.

So Brian, uh, HubSpot at this point is like a, maybe I think at the market cap today, maybe in the 30 billion range, uh, revenue north of a billion employees at like what, 2,500 or 3,000.

Like, so this, we're talking like a really big company at this point, but you had been the, the CEO from the beginning.

And after this accident, you, you know, removed yourself, you replaced yourself and now you're the executive chairman.

Did the accident, when you're having this like near death moment where you're like, what am I doing with my life?

Like, what, what, did it, was it like a crisis like this?

Like when you're done, uh, like recovering, it's, it's, it's, it's a perfect question.

Being there in the snow and thinking I was going to die, I thought to myself, self, how is your life?

Are you proud of it?

Are you enjoying your life as you're thinking about it a second time?

If you live, what do you want to change about your life?

Um, it was sort of a reset button for me.

And I think over time, as they look back at the accident, it may be the best thing that ever happened to me.

Cause I've made a lot of life changes since then that, um, like what, what, what, what sorts of changes?

Yeah.

I broke up with my girlfriend of a couple of years, um, I, you know, my whole life was hub spot.

It wasn't, I really didn't spend any time on any other causes like I'd read a check.

And so I went on a kind of a broad search for a cause that I could put my energy in, in some cash and two, and I found one that I fell in love with.

It's called the Woods Hole Oceanographic Institute.

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It's like the Harvard of the ocean.

Yeah.

I've, I've hung out there a bit right next to coffee obsession that coffee shop down there.

Exactly.

Exactly.

Um, and what got me about the Institute, uh, and besides the fact that I live near it is, and knew nothing about it, despite living here for 10 years was a blatant optimism amongst the scientists on their ability to slow and reverse climate change, leveraging the ocean in a sustainable way.

Like it really caught me by surprise as I was walking the halls and getting to know them.

There's a lot of optimism and there's a lot of stuff on the lab there that they think can scale on a global level.

So I picked them and I'm on their board and I'm doing a lot with them these days.

That's been very exciting.

So yeah, I've done a lot of different stuff like now it used to work out sort of casually every day.

I'm like, get my heart rate up into the 160 daily.

Like I'm not screwing around anymore.

I want to live a long, healthy life.

Like I'm 54 and I'd like to live a long, healthy life and I don't want to be an old man when I'm 70.

I want to want to be a very vibrant, seven year old.

What have you been reading since your accident?

Is there like, did you, did it put you down this different path of learning and you're like, okay, I want to explore this path or this spiritual thing or this giving thing?

I don't know.

Uh, like a different trajectory.

Usually it was like, block yourself in a room and keep it dark and don't read and don't, uh, don't see anything when you've got a, uh, concussion.

Yeah.

Yeah.

I read random stuff, but I, you know, I'll tell you one thing that surprised me is, uh, when you have a concussion, like I had a neurosurgeon helping me.

I had a shrink helping me.

I had a shaman come and visit me.

I had all kinds of people consulting me on how to recover from a concussion and from the neurosurgeon to the shaman, they all said to do one thing.

What do you think that thing is?

Sleep.

Meditate.

Meditate.

Yeah.

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They all were just like, you got to meditate.

That's the way you're going to get through it.

And what, what, were you a meditator before?

I was not.

I never really meditated or I tried and I was just so bad at it that it gave up.

And so yeah, I'm a pretty big meditator these days.

So like I'm just looking right here at the books and reading, like one of the books is becoming supernatural.

Um, I'm not sure about it yet.

I'm only through chapter one, but it's basically a meditation book.

I'm taking a class on Vedic.

I'm not even sure I'm saying that right meditation next week because I want to get better at it.

It just seems like it unlocks a lot.

Um, so this is, it's, this is kind of like a movie, right?

So like guy builds like, I don't know if this is true or not, but guy builds huge tech company, becomes billionaire, has life changing, life changing accident, changes everything, gives it all up, explores the world, it becomes like, uh, saves the ocean, starts to meditate.

But like, yeah, like, I, this is like, this is like, uh, this is a movie, right?

This is, this is how it's going to happen.

The other thing I would say is I'm still involved with HubSpot, so I'm still like today I've had four HubSpot calls, so I'm not, I'm very much engaged with HubSpot.

I'm just not engaged in stuff I don't like to do.

Like, I don't like doing one-on-ones with people and doing performance reviews and talking about their salary and stuff like that.

I really, I'm not great at it, but I'm able to work on the product stuff and the vision stuff.

Um, the stuff that really motivates me.

So it's, it's really worked out, but I'm still very busy with the HubSpot stuff.

And I always wondered this, like, uh, when I was at Twitch, Emmett is the CEO and he was the original founder, right?

So he's like 10 years in and, um, and he basically went from like, you know, starting the thing with two, two or three, you know, buddies basically to, okay, 2,000 employees and you know, whatever, millions and millions of users.

And for a long time, his thing was like, you know, yeah, I'm, I'm not the professional CEO manager type.

I'll get coaching there so that I'm not like awful at it, but, uh, you know, I'm great with product and growth.

And I'm going to like, there was like this perpetual candidate search for a chief product officer that somehow was never getting filled and it's like everyone knew it's because Emmett loves to do it and it's great at it.

And it's like, I had a little of this.

Yeah.

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So I think it's pretty common to do for this to happen where the CEO is like, well, that's the thing I like.

Don't, don't take away the one thing I like when there's like the rest of it is just firefighting and politics, like, you know, I'm not, I'm not super into that bit.

And then, you know, eventually found it when I was there, found somebody who was a, you know, really good product leader and engineering leader and basically over, you know, over that year, I saw that person take more of that role.

And then I was like, oh, Emmett, what are you going to do now?

And he was like, I'm going to work on like, you know, the vision and the long trip strategy.

I was like, yeah, but like, you know, when you wake up, what do you, what do you do?

You just sit there and I'm going to think about the vision right now.

It's like, that's such a weird, what do you do day to day?

And I never really understood what that meant.

And so like, when you say, I think I was, I work on, you know, the vision and strategy now you wake up, what the heck do you do?

Okay.

So today there was a bunch of emails back and forth between Darmesh and I about what some spot looked like five years from now.

So literally I woke up thinking about exactly that.

Right.

Turns out.

And so you're doing like, it's like long form writing.

So you're just like writing out.

You guys are just like a basically of email brainstorming session.

Yeah.

It wasn't even that long form.

It was emails back and forth in just different product ideas in different areas we keep going to.

And then I read a lot.

And so you guys probably saw that Amazon came out with like a billion new products yesterday that looked kind of interesting actually.

Just amazing how much new stuff they had and how well it tied together.

I think that started the thread like, holy crap, it's for a lot of innovation coming out of that company.

And yeah, there's a lot of R and D in there, but it's amazing the amount of innovation coming out of there.

And I think that sort of started it.

By the way, did you see this Infinidash thing that came from Amazon?

Did you guys see this?

No, what is it?

So, so AWS, so Amazon launches all these different products and somebody said, somebody basically on Twitter goes and they go, Oh my God.

You know, AWS Infinidash looks like a game changer.

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And I think, you know, Werner Vogels, who's like one of their kind of like CTO scientist.

Yeah.

CTO types.

He tweets out like, you know, at the hashtag Infinidash event tonight, blah, blah, celebrating.

And then, and it's a fake product.

There is no product called Infinidash.

It was like, it was just like a meme, but people started kind of memeing it into existence.

So someone immediately responds to go, I'm buying open dash.

So I don't get locked into AWS as an, as an open source alternative to Infinidash.

And then he's, and then signaled the big messaging app that has like 50 million users was like, you know, we're hiring an engineer with an emphasis on Infinidash life cycle management.

And there's like YouTube videos with Infinidash demos and like people like, I'm an Infinidash consultant and it just like took out a life and if you knew it was fake, you knew, but everybody kind of played the part and the whole bunch of people thought it was real.

That's awesome.

That's awesome.

Ryan, you, I saw this like, I saw this graph, I think it was from Darmesh at a talk at Saster.

And the graph was pretty amazing.

It was like, it was like maybe HubSpot's first five years of revenue and I'm almost positive.

I was trying to like read the graph and it wasn't all marked out clearly, but I'm almost positive.

It said something like in year three, you already had like six million in ARR.

Is that accurate?

I doubt it.

Too low or too high and it was like too high.

I would say the thing about SaaS business is that's fascinating is it takes you approximately forever to get to five million in ARR.

But once you get to five fifties, like bam, you know, it's tomorrow.

Well, that's what I thought, but like, it took us a long, no, no, I think you, I think you're misreading that graph.

It took us a long time to get to five million in ARR.

It took us a long time to get to a million.

How long did it take?

I forget, but it's, we had a lot of churn, you know, we've churned into a product centric company, a design centric company and a customer centric company, but it took us a long time to get there.

And so we had lots of customers coming in, but we had lots of churn in those early days eating away at our growth.

So it took us a while.

It took us, it took, it felt like forever to get to a million I remember and then forever to get to 10 and then all of a sudden bam, a hundred, then bam, two, you know, it started happening fast.

And even now, like we got to a billion and you know, it's starting to happen really fast

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now.

And like your first, there was like the joke was like, I actually disagree with you.

I think you, I think Darmash maybe squished that graph a little bit.

Yeah.

I could have read it wrong, but for some reason I was like, wait, they hit, they hit something. They hit like 15.

Like some like, okay, well, and he made a joke.

He was like the first five people on the team were like Brian, who was like an MBA sales person and then like another marketing guy, another like sales person and then another operations person and then me who was a technical person.

And I actually had to build the thing and they're like, this combination is a horrible combination for the early, early team, yet somehow it kind of worked.

I actually, I think his point on that was the early team was a bunch of people we knew from Sloan that we got MBAs with, like people we thought were super sharp, they started them as contractors, then we hired them and that in a lot of ways that was good and a lot of ways that was bad in the early days of HubSpot, there was a lot of pluses to it and minuses to it.

The first person, the first, very few people know this, but the first version of HubSpot was built by Darmesh in these two guys in Egypt that he found through, found online, like he danced out there and Farah Maui and I forgot the other guy's name and they built like the prototype of those three built the prototype of HubSpot and here's how HubSpot worked in the early days.

All day long, I would be using the product, demoing the product, pitching the product and using it to run our marketing and then at the end of the day, I'd write up, here's the 10 most important bugs I found and then at night, Darmesh is a night owl and those guys who were obviously working at night because they're in Egypt, they'd fix all 10 and create like 50 more and so it's just a constant whack-a-mole that first year and then we hired a guy, a kid from Yale who was a, he was a poly-side major, but he was a computer scientist on the side and he was really good and a Patrick Fitzsimons and he joined the team and then we started getting going and then we hired a guy from MIT who ran engineering and then we hired a guy that ran Darmesh's last company who was an engineer and then we really started cooking, but that first version was written in Egypt of all places.

Wow, and you know, when we think, like, I think back about,

Who's Upshot?

What's the name of the company?

Upshot.

Upshot.

What is, when you can go towards your dev projects, like ODesk, what's the other one?

ODesk or Elance or Upwork?

Upwork, it used to be called Elance.

Yeah, Elance.

Yeah, Elance.

He found him on that and that's, you're kidding me.

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No, no, he found him on that.

You know, that's like, I think I heard stories about a friend who was early at Uber and they used to like, this was like a secret that they didn't tell a lot of people, but one of the co-founders of Uber is Mexican, Oscar, like he's from Mexico.

I forget his last name, Oscar Salazar or something like that.

And they used to make jokes that like some of the early code was in Spanish and they couldn't fix it.

And I was like, why?

I was like, why?

What's going on?

He's like, well, apparently, you know, just like, you don't think about it, but Uber was just like any other small business that didn't have any money and one of the co-founders was Mexican and he lived in Mexico and they had their peers or friends, like it was like contractors that they could only afford to make the early Uber code and there was this joke that like a lot of the early stuff was in Spanish and they couldn't fix it.

And so it's kind of funny to hear that.

It's funny.

You say that you don't, you don't ever think of Uber as like a struggling little startup with no money, but everyone starts that way.

And for today, there's so much money slouching around.

People don't start that way.

They start with like 5 million bucks in their bank.

Well, the Uber guys had money.

They just thought of it as a side project.

They didn't think of it like this is going to dominate the world.

They thought of it like this would be cool.

We'll roll around in black cars in San Francisco and not have to worry about taxis.

I don't think they had that much money.

I know Travis had had an exit, but I don't think that they were like rich, rich through stumble upon, right?

He had done well.

But I don't think they're rich enough that they could like put three or four million dollars into a business before it really was, they knew it was going to be worth it.

Like I don't, I don't think it, I mean, those guys are hyper connected, right?

Like they can, they can raise a seed round if they needed to.

All right.

And 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 days, the same length as always.

But before you know it, we spent three hours just fixing something that was supposed to

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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 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.

So we were talking last episode about this company called NerdWallet.

And the NerdWallet story, the part that's relevant is basically it's a big finance kind of like blog basically.

And they make a ton of money because they rank at the top of the search engine for best credit card, best credit card for business, whatever.

And they get a bunch of, they make like \$100 million off that referral, essentially at the end of the day.

But they got there by making great content and like it was like tortoise in the hair.

Everybody else was like, you know, just trying to farm as much content as they could.

These guys are trying to do quality content.

And for two years they were sitting in their apartment just banging away at blog posts.

And like the traffic really wasn't, it wasn't impressive.

And I was telling Sam, I was like, if I had started this company, I would have pivoted 10 times by then.

If I was advising them, I'd be like, guys, look at the data.

This is not working.

But they had a lot of faith and they sort of kept going and there's these like perseverance stories.

And then there's other stories that are like, well, we tried this thing, we saw the signal and so we made a shift in strategy.

And these like inflection points are the hardest thing because as an entrepreneur you never know which one, is this one of those moments where I should be persevering in spite of the data or should I be taking the signal and making a dramatic shift in what I'm doing, pivoting in some way.

And I think everybody has, like I look back at any start if I started and I see multiple moments where maybe I made the wrong decision, maybe I made the right decision.

It's very hard to say because you never know what would have come off the other side.

When you look back at early HubSpot, was there, are there any moments like that where, you know, either it was not, when it was not working and you decided either to persevere or shift in your strategy, shift in your, the way you guys are doing something?

Yeah, there have been two big pivots in HubSpot's history that people don't talk about.

The first pivot was about six months in, we were building kind of a general purpose platform for legal firms, we call it legal spot.

This is probably what we were still in business school, but we were spending time on it and we had a prototype of it.

And we would go to law offices and we'd demo it and try to get people excited about it and they weren't super psyched about it, but there was a little piece of it that was around

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grading your website and around SEO that the law firms got excited about and got excited about the lead gen piece.

And we stuck with this legal spot idea for a really long time and we were just getting very mediocre feedback.

And finally, Dermot and I were like, why don't we just work on that one thing they keep asking us about.

And so we killed legal spot and we built website grader and we built the lead generation system and then we killed the idea of verticalizing it and went horizontal and sold it to all our friends and startups basically.

So that was the first huge pivot we had was giving up basically on the original idea.

And the reason the original idea was there was when we were in business school, they put you in little pods for stuff and there was a woman in our pod who was terrific who had started a company in the legal space and commenced as there was something really there. And she might have been right if we stuck with it, but we ended up pivoting away from that and she ended up not joining HubSpot.

The second huge pivot we had is we were a marketing app software company.

I mean, we started as a web 2.0 company back 100,000 years ago with SEO and blogging and social media and we were good at helping people get on our front page of dig and Reddit and stumble upon shit like that.

That was the service was that you were good at getting people on top of dig and Reddit.

We were good at helping people get turned strangers into visitors on their site with no advertising money.

So start your blog, get good at search engine optimization, start a Twitter face, you get going on dig, get going on Reddit and start building credibility there and so create these channels into your business basically.

That's how HubSpot effectively started, but we were SEO geeks at heart.

And then we moved into marketing automation, which was an obvious move because everyone was buying HubSpot, but then they'd buy Marketo or they'd buy part dot or they'd buy one of these other platforms, you're like, that's spent a lot of money on it.

We're like, you know, we have to get into that business.

So we moved into that business, but the big pivot was when we said, we're not a marketing apps company anymore, we're a CRM platform company.

And then we've really turned ourselves on our head and we made that decision about seven years ago and that turned out to be a very, very good pivot for us and we're still in the middle of it.

Like we have so much more work to do on our apps and so much more work to do on our platform, like it really works well.

Our customers love it.

So when you were, you were talking about, oh, I know I was going to ask, when you guys were early on, when did the company launch?

Oh, five.

Oh, six.

Oh, six.

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Yeah.

What?

What?

We launched it.

That's when we officially started it.

Actually, we never really launched the company.

We just kind of started it.

When you were doing that, what, I mean, you know, you're a behemoth now, but what percentage of it do you attribute to, you just picked the right idea in a huge market and had fantastic timing and it kind of, you got pulled to success compared to your just, you know, you made the right decisions and you're smart and talented and skilled.

I mean, what percentage of that came down to, it was just, we got lucky that we saw this early on and it kind of worked out that we just stuck with it versus we're really good.

The healthy dose of both are a very healthy dose of both.

The thing we saw and the thing that anchors me is I just watched the way people shop in the way they buy and the way they evaluate products and sort of like a little bit of an anthropologist watching people buy stuff and I noticed two things were going on.

First of all, all the marketing stuff that I had done my whole career, whether it was emailing, you know, do an email marketing or it was advertising or cold calling or anything that didn't work because people had a caller ID, they had spam protection that ad blockers like it's broken and at the same time, people no longer were going to like IDC and, you know, Gartner and all this stuff.

They were reading blogs and they were reading articles on social media and they were going to Google and so those two things just kind of clicked inside our head and like there is a transformation that needs to happen from this very old school outbound interruption based marketing to this new school inbound marketing, you have to match the way you market the way people actually want to shop and buy and the nice thing about it is your success in that new type of marketing was much, much more about the width of your brain than the width of your wallet.

You didn't need a lot of money and so we initially sort of targeted small businesses removed up to larger businesses these days, but that's sort of how it got going and it turns out we were right about that and we were early on that thesis and I remember there was a decision point in the early days of HubSpot like we were starting to get traction, it was starting to go and we were unsure, you know, is this going to be a big company? Is this going to be like the two of us are going to fund this, we'll do some angel thing or is this going to be a go big or go home and I remember looking at it at some point in time and was like, we're right about inbound and other people are noticing we're right, we got to like raise a lot of money and go fast because some people are going to start copying us and people did copy us like crazy and so at some point we sort of flipped the switch from, you know, we got a little business that's going pretty well, we may have 50 people, we might end up doing a lot of services to know we're building a big software company and it was the realization that we were early and right about this idea of inbound.

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And one of the reasons people love the pod is because we started off with kind of like what we're doing a little bit now, which is interviews with people who are successful say, hey, how'd you do it?

What'd you do?

What was it like?

And somewhere along the way, I just said, hey, Sam, let's record an extra episode on a Friday.

What I really wanted to do is help them promote trends and I was like, let's just talk about trends.

Let's talk about what are some opportunities your research crew has found and let's just shoot the shit about it.

Let's tell some trans subscriptions and it'll be, I think, interesting, like, it's like how we talk offline, let's just record it.

And what that started was a lot of the podcast now is basically brainstorming and just shooting the shit about, well, today, here's what I see as some opportunities.

Maybe I'm not going to do them because I'm already doing two businesses, my hands are full.

But if somebody's out there looking, you know, I think this is really interesting.

This is where I would be sniffing right now.

And so I don't know if that's hard for you because you're so consumed by a large company.

Let me ask it a little bit differently.

So earlier, you had this thing called legal spot.

Now you guys are just your hub spot, which is, you know, the CRM for like, you know, any business ever.

But I see a lot of companies pop up that say they are the hub spot for X. So you said you started as legal spot.

Now there probably is like, we are hub spot just for the legal industry.

We are hub spot only for dentists.

We are hub spot only for doctors, whatever.

What do you think about those?

And if you, if you, if you're not a fan or you don't think that they like are necessarily going to have legs, which industry do you think could have legs where you could have a hub spot for X that you guys just simply can't meet because their, their needs are so specific.

I, I, and as soon as you brought this up, I was like, there's an infinite number of opportunities for people to build stuff on top of hub spot that's vertical specific.

And so someone should build a legal spot on top of hub spot.

Someone should build a hospital spot on top of hub spot, like whatever they want.

And it's all sort of there.

The API's are there.

Like there is incredible low hanging fruit for entrepreneurs to build and then just selling to our install base, sell the new customers as lots of the channels you can sell through hub spot.

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That is.

Are there any success stories of that?

The upside on it, you're probably not going to build a hundred billion dollar company, but you're the beta on it's low.

You can build a good company and make good money by doing that.

What was the range on?

Are there any success stories of people doing this so far?

There's a bunch of them.

There's these kids in, in the UK, my kids, they're in their twenties, but they built something called org chart hub on top of hub spot, which was, Hey, I'm working on selling to Procter and Gamble and they pulled in Procter and Gamble's org chart.

And then as a team, you can go and change that org chart around as a change and it became wildly popular inside of hub spot for sales reps using the product.

And now they've built this series of different apps inside of hub spot.

That's worked out.

That's that was the first of them.

Now there's a whole bunch of them popping up.

Have you seen, um, have you seen the org, a company called the org?

Okay.

I think it might be the org.com actually, uh, is it something like that?

And so all they do is it's a database of org, org charts.

And they recently raised, I think they've raised two rounds, but a recent raise was a \$20 million round from Founders Fund or something like that, like a tier one VC.

Yeah.

And so this org chart thing actually like it's one of the very first brainstorms when Daniel Gross joined.

He had brainstormed this because I had said, it's so hard to know who the heck is who inside companies and LinkedIn has become impossible to know.

Exactly.

And we said, this is a wedge to build a new style of LinkedIn, LinkedIn basically took all said, we'll take the resume and then we'll create, you know, basically like the social network on top of this database of resumes.

Well, why don't you create as a database of org charts, get people to crowdsource because I think people like to say, here's my hierarchy.

Here's where I am in the hierarchy.

So people are willing to fill it in for their company and you could crowdsource that and then use that as like the basis of a new style of LinkedIn.

I think that's what these guys are doing almost to a tee.

I think LinkedIn is, there's certain companies that I think are ripe for disruption.

I think there, that's a good thing is, is cool.

The company who I bet is kicking themselves is the, it's the, you know, the information do you guys subscribe to the information?

Yeah.

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Yeah.

They have an org chart thing.

It's awesome.

By the way, I bet they're kicking themselves.

They didn't spin that out into a company and raise venture for it and crowdsource that because it's very good.

I referred to it often actually.

Yeah.

That's the media company DNA though.

All right.

So what about non HubSpot related?

What if you were 21 today and you're thinking about business ideas or you just graduated business school, like when you started HubSpot, what do you, what would have your, your fascination, your curiosity?

Where would you be building?

What opportunities have you seen that you're like, okay, if I had a clean slate of time, here's where I would go.

What I would go for.

Okay.

I like to think about like the big trends and then sort of zero in on, okay, what's an idea on the big trends.

So I just think just the most genuine, enormous trend that's going on.

And I saw it in HubSpot board meeting last week.

So I've been out for six months.

I went to the first board meeting, we had an hour and a half discussion about the environment and we have this whole chart on how we eventually want to get to a zero carbon footprint.

Every board meeting in the world is having that same conversation.

And that's a hard thing for companies to pull off.

And that's just the beginning.

At this point, you know, Europe's sort of taxes carbon, the US doesn't tax carbon, eventually the US is going to figure that out in tax carbon.

I just think clean tech, ocean tech, there's, there's going to be trillions of dollars made in that industry.

Can you explain that from a big company's perspective because I've never, you know, our business was much smaller than HubSpot.

And so like when I thought about climate change, I'm like, yeah, that's important to me as a person, but like my business, I'm just trying to make payroll.

Like I can't even think about that at the moment.

Like, you know, how my company fits into that.

You guys are much bigger.

What, what do you, like from your perspective, what does that mean?

You're willing to spend money in order to do we are, we're spending huge money.

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So yeah, tell me like, well, how much are you spending and what are you spending that money on and what's the motivating factor there?

Is it like a dollar and cents thing?

Is it to look good?

Is it to feel good?

What, what, where's the, what's the motivating factor there from a, from a buyer's perspective?

I think fundamentally it's a moral issue for HubSpot.

It's bored and it's leadership team and we all are behind it.

Even if you didn't moralistically believe in that type of stuff, your employees, you're going to force you to do it.

Your investors are going to force you to do it.

Your customers are going to eventually force you to do it.

So you don't have a choice if your company HubSpot size or even a little bit bigger than where you are saying, eventually your employees are going to be like, you know, what are we doing about this?

You know, they were actually asking you about it in your group meetings.

And so what HubSpot's done is, you know, we've tried to lower our carbon footprint as much as possible and get our energy now through wind, fund sustainable projects like forestry projects, river projects, renewal projects out there to offset some of the energy we consume, changing policies to consume less carbon dioxide.

So at this point, you know, we're at zero from the beginning of HubSpot, but we want to consume far, far less.

We don't want to be buying offsets.

How are you tracking how much, how do you, how do you track that?

Is there like a dashboard?

I mean, I'm very hard to track and in the companies who are trying to track it are the same or like your auditors, like the Pricewaterhouse and people like that, and there's no great way to track it.

So it's a big business opportunity.

There's a bunch of people working on measurement systems.

Like our measurements are horrible on global warming beyond just the aggregate temperature of the globe, like measurement systems of the tides.

And you tell that measurement, that measurement to the insurance companies.

So they know when the big storm is coming and getting really precise about that kind of stuff.

Systems to measure the salinity of the oceans, the temperature of the ocean, the temperature of the atmosphere and using all that information to input to the carbon exchanges that happen in Europe and hopefully globally someday.

Like there's going to be a whole stock market.

You think there's a stock market, there's a commodities market, there's NASDAQ, there's the New York Stock Exchange.

That's going to happen for carbon and think of all of the businesses that happened around that marketplace.

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There's this company right now that I see being advertised everywhere.

I think it's called Aspiration.

And basically, have you Brian noticed that there's like all these new credit card companies coming out?

Yes.

Basically what they do, I'm kind of dumbing it down, but I believe this is exactly how it works.

They just partner with MasterCard.

MasterCard typically takes 1% of the purchase price from the merchant and makes money that way.

MasterCard then says, hey, if anyone starts a new credit card system and you're able to convince these people to sign up, we'll split that with you.

And that's kind of how they, that's kind of dumbed down.

And there's this new company called Aspiration, I think it's called.

And we predicted this on trends shockingly.

Like this is something that like we nailed way before this company came out and it's called Aspiration.

And what they do is, and I have no idea how they do this, but whenever you make a purchase, it tells you on your phone how much carbon it used or what the impact on the environment was.

And when I heard about this, I'm like, I don't buy this.

I can't believe someone, like I care about this stuff, but like that's just amazing that someone's willing to switch credit cards just for this reason because switching credit cards are pain in the ass.

And these guys, I think they've raised over \$100 million and they've attracted so many new customers just on this idea.

And it was shockingly interesting.

I'd never in a million years would have thought that that would take off like it did.

Yep.

I think this is a huge, huge trillion dollar industry.

It's going to be the like software industry is a huge industry, biotech is a huge industry.

This is going to be a giant industry.

And there's lots of ways to get at it.

But it's a different, it's a different model.

You can't, it's not just, you know, hacking together something on the weekend, testing it and then iterating on it.

It's a little different.

So if climate is a trend, a big trend, a big wave that you believe in, what are some things that you see other entrepreneurs doing that you are less excited about or you're not a believer in?

Is there some trends?

Because there's sometimes headfakes or things that are too early that, you know, the time is not now.

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I'm curious, what do you see?

Or the time has passed.

You're not a believer in, you're not interested in that sort of thing.

You know, ye old enterprise software companies with ye old giant outside sales forces.

It just feels like the time has passed to build that kind of thing.

And I predicted that before and been wrong.

But it feels like there's a new breed of company that sells in a new way and they start with small businesses, whether it's Shopify or it's Stripe or it's HubSpot, like there's a new way to build a company and it's not targeting Fortune 500 companies.

Like when I see these companies starting like, yeah, we're targeting the Fortune 500, like take the technology piece away, just all the compliance work you have to do to be able to sell to those companies and all the boxes you need to check to get in there.

And then the sales model is just like, oh, good luck.

That's a tough road to hoe.

And I want to read a couple of tweets that you had put out and I want to hear you kind of elaborate on it a little bit.

So one is, you know, you need to manage your, if something along the lines, if you need to manage your creative people with loose reins, and that's from Lorne Michaels, the sort of, I think he's a producer or the creator of Saturday Night Live for a long time.

So what was, what struck, what struck a chord with you about that?

Okay.

You brought some, but you actually brought something earlier that I was really interesting about the Twitch CEO.

So in the early days of HubSpot, I'm not a product guy, by the way, by training or by DNA for that.

I think someone described you, I believe it was Kip, he said, you're the best salesperson he's ever met.

Yes.

I'm a salesperson.

And I grew up in sale, I grew up in enterprise sales, which is ironic because I just said I think that industry dying.

But I tried to convince myself that I was a product guy in the early days of HubSpot.

So I read everything I could about it, design books, I read everything about Steve Jobs and you name it, and I just tried to get really smart on it and I was, the truth is, I just was not good at it.

And we hired one product manager, we finally found a product manager that I liked and we sort of built around and I was like, oh, I see, I don't actually have that DNA.

I'm not good at this.

And it took me a while to, it took me seeing someone who's actually really good at it to understand that I'm actually shitty at it.

And I was like, oh, I get it.

And then I had to figure out, well, how do I manage this type of person?

And the way I managed this person and the team was by really giving them a lot of free

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reign, like giving them very wide boundaries and just saying, hey, you guys figure out in gals what's inside this box, this is what the box looks like.

And what was that box like, we need to attract this type of customer, we need to grow by this, we need to, like, we need to, we can't have these people churning out.

I'll show you the box.

It's a box I've drawn on whiteboards in the product organization a million times, like here's the CRM platform.

Okay, so Brian's literally drawing a box right now.

By the way, he's got like a professor style chalkboard, not a whiteboard.

So on the board, I'll describe what I'm drawing.

No, no, no, this is good.

We have a YouTube channel too.

We have a box on the bottom that's like the HubSpots CRM.

Keep drawing by the way.

We have a YouTube channel.

This is going to be on there.

Okay.

It's a CRM platform on the bottom.

And then on top are apps, like we got a marketing app, we have a sales app, we have a service app, we have a content management system, we have an ops app now, and basically I would draw that on every board.

And what's interesting about the dimensions of it is the vast majority of the space in the drawing is in the big box at the bottom, which is a message to the developers, the private people like, Hey, the power inside of HubSpot isn't a whole bunch of applications that we're going to buy and glue together and cobble together.

We're going to build a killer platform and that platform is going to have workflows as part of it.

It's going to have social media as part of it and messaging.

It's going to have a set of shared services.

And then the apps themselves are actually quite a bit smaller, but they're all just woven together pieces of the underlying platform and they got it.

And actually they extended it in big ways.

And then I said, I want a marketing business that's going to be a billion dollar business growing X percent.

And this year I want a sales box and in that sales box, I want that to be a whatever \$300 million business growing Y percent.

And I just draw out the numbers and draw out the boxes and they would decide what to put in there based on what they thought and what customers were saying and where they thought the world was going.

So I managed them very, very, very loosely.

I managed other parts of how I thought very, very tightly, but the product work very, very loosely.

But I've heard that you are like that most of the time.

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And then when something isn't going well, you get down and dirty and you're hard-ass and you're like, we have to nail this.

I do.

I'm either at a very high level or I go very, very deep.

And one of the first things that you said to me was like, you didn't mean it this way, but you're like, keep being you, keep being crazy.

If anyone says anything to you about what you can and cannot say, you'd let me know.

Yeah, stay weird.

Yeah.

That's what it was.

It was stay weird.

You're like in Austin to stay weird down.

So I just naturally thought I'd stay weird because what makes you you is you're, you're fucking dude.

You're weird.

Yeah.

Well, dude, so I'm chud, Brian has a book.

So if you Google Brian Halligan guitar, he bought Jerry Garcia's guitar and you can like see the price on there.

Which I was like, that's weird that like I know that you bought a \$2 million Jerry Garcia guitar.

That's crazy.

And also he has this book called like what the Grateful Dead can teach you about social media, about marketing, about marketing.

So a lot, by the way, a lot.

What can I learn from the Grateful Dead?

We're going to have to do another whole other podcast about it, it's just too much.

Do you know, so there's this company called, I bet you definitely know what it is, nugs.net.

You know nugs?

Okay.

So nugs is this.

Okay.

So the reason I know about it was the hustle started in this small apartment that I rented for really cheap, but it was Craigslist's old office.

So Craigslist was doing like \$900 million a year and Craig Newark basically owned the whole thing.

And he was based out of this little shitty apartment that I ended up renting right when he moved out.

And we shared it with nugs.net and it's, yeah, and it's nugs.net is this company that it started out basically, I think only for Grateful Dead, but basically I remember as a kid, Sean, I don't know.

You probably, you didn't have an older brother, so you probably didn't do this.

But like you would meet people on the internet and you would get their address and you would

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mail them a tape and they would mail you a tape back and you would have a live recording of a particular concert.

And nugs.net was the platform or the message board kind of where you could like meet other people who went to a Pearl Jam or a Grateful Dead concert and you'd trade tapes.

I don't even know what they do now.

Now it's cool.

Now it's a live broadcast for concerts is awesome.

So if you want to see a, you want to see a Dave Matthews concert tonight, you know, they're probably broadcasting it.

It's awesome now.

They've really come a long way.

That's an awesome app now.

And they like, so they started this like, this like the exchange, I guess now they have like a thing and we were talking about the Grateful Dead and we can learn about these people have the most, like it's, you know, there's like a few things like moms are like really culty about like products for their babies, dog lovers are kind of like this health nuts that can be like this and like Grateful Dead fans and like the people who are into like fish, Grateful Dead, this type of stuff.

It's their engagement is off the charts when you go and look at it.

So I'll give you a non secretary in a weird way.

The Grateful Dead inspired HubSpot and here's what, here's how.

So Sam, let's say you're going to a Rolling Stones concert and you show up with the like your big camera and your giant, like recording equipment.

What happens when you get to the door?

They say bounce, you know, you can't.

And what are these?

What does the Grateful Dead say?

I think they have a section where you can say special taper section for you.

Like come on in, sit right here, put your microphone up, like get your gear all set up.

Come early, you got like VIP access and you go and take and, and then you listen to the concert.

And one of the things about the Grateful Dead is interesting, like when you see the Rolling Stones, you see them in Boston, they play a certain set list and they play it very precisely and they're very good.

Then they go to New York and what do they play?

It's totally different.

It's the exact same thing, like, yeah, the most fans do the same thing, but Grateful Dead, it changes every night.

It changes every time.

And by the way, sometimes it's terrible, but usually it's quite good.

And so you tape in Boston and then you go to New York and they do, you know, giant stadium for two nights and then you go to Philly and you follow them around.

And by the end of the show, you've got like, you know, 15 shows, you know, of your tapes

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and you pick the two or three real good ones and you make copies for your friends and you send them around to your friends.

And then you're at some fraternity party or whatever and somebody's playing the state and the person next to you is like, Hey, what's this crazy gypsy music they're playing?

You're like, Oh, this is Grateful Dead.

Why don't you come with us?

We're going on to, on the spring, on the summer tour this summer.

Come along with us.

The Grateful Dead were the first and best inbound marketers that gave away all their content and they use the best content to spread the word around the internet.

They were, they were very inspirational behind inbound and content marketing and all that stuff.

They were really first ones to really embrace viral marketing in a super, super modern way. And back then there wasn't email marketing and there wasn't like social media, but they were big on message boards and the message boards were on.

Way go.

I think the live music space is interesting to me and there's a few opportunities that I've seen.

So there's this company that is streams live concerts on Apple TV.

I forget what it's called.

By the way, that's exactly what Nugz does.

Yeah.

And this company, they just built like a, they don't stream live ones, but it's like a, it's like a, it's like Netflix for concerts and they were doing like, that's a cool idea.

It was pretty cool.

They were doing about \$20 million a year and subscription revenue and I think they bootstrapped it.

They're based out of England.

I'll look up the name in a second.

And then the second thing that I always thought was interesting and it totally bombed was song kick.

Sean, did you know song kick?

Yeah.

No.

Okay.

So basically you would say where you're living and it would tell you all the, all the concerts happening that day or for any other day.

I saw the email.

I saw the email.

Yeah.

So they have this huge email.

It's basically like an email marketing business and they raised a little bit of money and it completely, I think it went, I think they, it failed and was sold for nothing.

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But the thing about the live music space is like a lot of people have tried to build stuff in there because it's fun, right?

It's like you're passionate about it, but very few companies have been able to pull it off and make money.

Another one was like something FM.

What was that called?

I forget what it was called.

It was started in San Francisco.

Turn table FM.

Turn table FM.

And it, it, that bomb too.

It didn't work out.

Nothing.

There's rights problems.

There's rights problems.

That's one problem for music.

And then the other thing is the trick in business is I think to do what you're passionate about that not every other human is also passionate about because you want to follow your passion but you don't want to follow everyone's passion because that's just competition, right?

Like Brian nerds out about inbound marketing.

He's passionate about something that 90% of other people don't even know or care about.

So that's the beauty of HubSpot and how you can build a giant company like HubSpot because you're going to go further than everybody else.

Live music.

Okay.

Yeah.

Great.

Here you go.

You and every other 20 year old wants to do it.

I'm not a huge beer deal fan, but he said, he said something interesting in his book.

He said, in order to be successful, you need to be right about something that everyone else thinks you're wrong about and they think you're wrong about it for a long period of time.

Yeah.

I think that's right-ish.

Yeah.

Somebody said something like that.

They go, investing is being a great investor is investing in things that everybody agrees with you about later.

Yes.

Yes.

It's called Quello, by the way, Q-E-L-L-O, and they claim that they have two or three million subscribers.

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Very interesting business.

We got a wrap.

We got another pod right after this actually.

Brian, this is great.

Things are coming on.

Thanks for having me.

This is fun.

You're a fun hang.

I like this.

I didn't know anything about you before this.

So this is cool.

I want to have you on again.

The things next I want to talk about is like the evolution, how you go from like just being scrappy to now you're like very corporate CEO.

That sounds like an insult.

That's not an insult.

I mean, you're able to manage thousands of people and very few people have been able to pull that off.

We can talk about the CEO journey and how it changes over time is interesting, but we definitely have something more to pray for then.

Down.

I'm down.

Well, thank you, man.

This is awesome.

It's kind of your podcast now.

So anytime you want to come on, let's do it.