

[Transcript] My First Million / One Question Friday: How Will You Teach Your Kids To Be Entrepreneurial?

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 One Question Friday.

I'm Sean and it's just me today doing these episodes.

These One Question Fridays, I kind of like these.

It's fun.

It's fun to hear the listeners and hear their questions.

And then I really put thought into it.

So this one, I heard it before I did it so I could think it through.

Usually I do these off the cuff, but hey, little prep never hurt anybody.

So let's listen to this question together and then I'll give you my answer.

My name is Sophia.

Sean, last Friday, you talked about the value of earning that first dollar by selling the bands.

I know that your kids are still pretty young, but I wanted to know how are you going to teach them to be entrepreneurial and when are you going to start?

Okay.

Great.

Thanks, Sophia, for the question.

If you didn't hear this before, I shared the story about how I had been working on a business, a startup.

I was 21 years old.

I was with my best friends and we were working on a business for about a year.

And somewhere in like the nine month mark, we realized, we're just sitting around one day and we're like, man, it just feels like we're just going through the motions.

Not that we were being lazy, but like literally we were almost like acting out doing a startup.

It's like, oh, we do this plan and then we talk to this advisor and then we raise money from this investor.

It's like, we're doing everything except for the business part, which is who take a product, we sell it to a customer and then the customer is happy.

And we were like, man, we've been going for almost a year now and we haven't even made a dollar.

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Like how can we call ourselves, we were winning all these awards, young entrepreneur of the year, rising entrepreneurs, most promising startup.

And I was like, man, it's all BS.

We haven't actually even done anything.

And so we took a 48 hour challenge for one weekend, we were going to try to make our first dollar.

We were trying to make, we set a goal of trying to make \$1,000 in a weekend.

And we ended up doing something very simple.

We created these like wristbands.

Like if you remember the old Livestrong bands, but thicker, fatter, we call it the fat band is the fatband.com and we were customizing them.

So we found a drop shipper that would let us write somebody's name or their fraternity's name or their school's name, whatever on these wristbands.

And we could basically sell you a customized pack of a hundred wristbands or whatever.

And it would cost us whatever, 30 cents to make these things.

And then we could sell each one for \$1.20 or something like that.

And it worked.

We made like, I don't know, \$1,400 in that weekend.

And it felt so good.

And I feel like I learned more about business in that one weekend than I had the full nine months because I had to come up with a product.

I couldn't overthink the brand name, all that good stuff, you know, had to get our first sale, had to figure out how to sell, had to figure out how to create a website, take payments online, all this good stuff.

So now this question is about kids.

Now I guess I'll point out, I really wasn't, I don't know, I was kind of a kid, I was 21 years old, but my parents didn't do anything in that moment to help me have that aha moment to get that first taste of entrepreneurship.

The light bulb for me came on later than I think you usually hear.

We often hear these stories about, oh, you know, Mark Cuban or Elon Musk, and when they were 11 years old, they were, you know, they were created a CD-ROM company and they were selling it, you know, in the neighborhood or they, you know, the lemonade stand.

Honestly, I didn't have any entrepreneurial ambitions.

You would have never guessed when I was a kid that I would be an entrepreneur.

Having said that, I do think there are things that I will try to do with my kids.

I got two little kids, two and one years old now to help them be more entrepreneurial.

And here's what they are.

So I'll break it down into a couple of categories.

Here are the foundational dos and don'ts for me when I think about how to teach my kids.

The first is there's no rush.

I will not push them into being an entrepreneur or doing, you know, like telling them that this is the path.

There's no rush and there's no answers.

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It's on them to figure it out and they'll, they'll get it in time.

But along the way, I can give them some skills, experiences and a mindset that I think will help them.

So here's how, here's what I plan to do.

Let me first break it into a couple of categories, mindset.

How do I want them to think about things?

What are the aha moments where they realize something about the world that I want to help them get to that realization faster?

So the first thing is that I want to show them that the world as they see it has not always been this way, meaning that things change.

So everything you see that you accept as normal, whether it's this computer that I'm, it's on my desk.

Well, there used to be not even a computer, you used to not have laptops.

There was one computer in a computer room and before that there was a computer not even in a home and before that there wasn't even a computer, right?

So like things change over time and it's very easy when you look around the world to just sort of accept that things are the way they are and that's it.

When you don't realize that actually things are changing all the time and most importantly, it is people who change them.

So Steve Jobs has this great quote, which is like the most important thing you have to realize is, I'm going to butcher it, but it was like the most important thing you have to realize is that everything you see around you was made up by somebody just like you. You know, there is no, there are no adults to this game of life who, who, who create all the rules, you know, everybody's making up the game as they go.

And so the first thing I want to do is I want to show them that I want to instill this understanding that things change over time.

So when they see something as it is, I want to show them what it used to look like.

I'm going to show them what it looks like in other countries where it doesn't look the same as it is here.

So they can see that the world is a lot more bendable, it's flexible, it's malleable.

The world can be bent and it's bent by people who decide that it's going to be another way.

Okay.

So that's the first most important thing, right?

Cause that's what an entrepreneur is going to do, right?

Entrepreneur is trying to change the way that's changed the status quo in some way.

And if you don't realize that the status quo is simply made up by other people just like you, no more talented, no smarter than you, then that means that you can do it too.

The second thing on, so that's the mindset, aspirations.

You are who you admire.

I always have believed this.

You are, you become who you admire.

So I want to show them, I want to, I want to admire people that, that I hope that they admire.

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I want to tell them stories of people who have, who have just simply wanted something and made it happen.

Whether it's an athlete, Michael Phelps wanted this and he made it happen, an entrepreneur who wanted this made it happen, an inventor who wanted to solve this problem and they made it happen.

And I want to tell them those stories consistently so that they understand this link that basically the name of the game is figuring out what you want and then knowing that you can make it happen.

And I'm going to praise that.

So for example, even now with my daughter, she's really good at puzzles.

She loves puzzles, but you know, there's these little parenting tips.

It's almost corny, but honestly, I do believe it.

I think it works that I praise her not for being great at puzzles.

I praise her for, I'm like, you figured it out.

Oh, wow, you didn't know how to do it, but you just kept trying and then you figured it out.

You're great at figuring things out, right?

Like I am, I praise her for being able to figure things out.

I praise her for trying things that she was afraid of.

I praise her for basically like going out of a comfort zone and saying, you did it anyways, right?

You always do that.

You're always so brave, right?

You're always figuring things out.

I am trying to instill in her that she could figure anything out, that she can do things even when she's afraid of doing them, even if she's never done them before.

I never praise for being so smart or so good at X because I think that's a trap.

So those are little things on the praise and aspirations.

Next, let's talk about skills.

So if we want to be an entrepreneur, an entrepreneur is not really a thing.

It's just a collection of skills that you put together and you apply with some force.

So what are those skills?

Being able to build, being able to sell and being able to invest.

And so I am going to invest in each of those skills at a young age and you could do them in a bunch of different ways.

So being able to build, it could be as simple as my wife, she always talks about how when she was a kid, her dad used to take her on Saturdays to Home Depot to do a building class, a free workshop building class that she does on weekends.

And that's why my wife is so self-sufficient.

Like if something's broken in the house, my wife fix it.

If we get furniture, my wife assembled it because she's really great at that and she loves doing it.

And I'm terrible at it.

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I'm terrible at it because I never got any practice at it and I never found fun in it.

So I never, never did it, right?

Doing something like that teaches you how to build, even literally how to build furniture, but it makes it fun to build things from scratch.

And so that's what I'm going to do.

I'm going to teach them to build.

I'm going to teach them to build toys, computers, furniture, build anything, build a little stage and then we'll use it for puppet shows, whatever.

It doesn't matter.

We're going to try to build things together.

And then the next one is selling.

So teach you how to sell.

So I will literally give them some experiences like door-to-door sales.

I don't know if you guys have ever done these like, what do you call it?

It's like a fundraiser thing where you go door-to-door and you sell like wrapping paper and ice cream and stuff like that to your neighbors.

I think those are incredible experiences.

I've talked about this in the past.

If kale is a superfood, door-to-door sales is like a superfood for being an entrepreneur because you're going to get repetition at hard work, facing rejection, persuasion, building rapport, all these things that you get from door-to-door sales.

So I'm going to heavily emphasize door-to-door sales.

And so this idea of being able to sell is important.

Same thing with investing.

I'm going to give them money early on and we're going to invest it together.

And whether they win, whether they do well or they lose money, they'll live with those consequences.

And when they want something, it's going to come out of that pot.

And so that's the core idea.

Get them understanding early on about investing in a stock market with a very small amount of money, a couple thousand dollars, maybe \$2,000, and let them know that, hey, when you want that new Xbox, it's going to come from the earnings you've been building up in this thing.

And so I want them to learn about investing in that way.

So there's other direct skills that I have seen as I invest in founders that I'm like, the most oppressive founders I meet, I really interrogate them to find out.

What is it that they know or they did that made them the way that they are?

And I've seen two consistent experiences come up that are highly correlated from what I can tell, maybe cause, maybe correlated, I don't know, with being a great entrepreneur.

And they're not ones that I would have expected.

The first one is debate.

I can't tell you how many people who I find to be really impressive that have a background in debate.

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I think debate teaches you how to obviously how to speak.

It also teaches you how to form a logical argument.

So using logic.

It teaches you how to see both sides of an argument because in debate, you don't just get to say the thing you believe.

You have to be ready to argue for or against a specific topic.

So you got to be able to quickly understand what the argument would be in both perspectives, which guess what, is an amazing skill to have as a person.

So debate is something I will try to get my kids into because I've seen it translate.

But of course, if they don't love it, you know, they'll find their own way.

The next one is gaming, something that parents often view as a waste of time is something that I've seen very, very correlated to success.

So gaming teaches you how to play, how to play on a team, how to communicate quickly and under pressure, how to come up with a strategy to win, how to enjoy winning and bounce back from losing, right?

These are all really important things to hand out coordination.

There's a whole bunch of stuff, math.

There's things that go into gaming that I think are really important and it's really fun.

And so I think gaming is something I will encourage and can participate with with my kids.

So those are some of the skills section.

Now last one, experiences.

So here are some of the experiences I talked about door to door selling, the proverbial lemonade stand.

So running a lemonade stand, understanding the profit loss, buying the ingredients the next day.

So a lemonade stand that specifically runs for multiple days.

I will have them join my meetings.

I'll tell you two quick stories.

One is my brother-in-law is a very successful business guy, extremely successful.

And he always brings his son to his meetings, his negotiations, car auctions, whatever.

He puts his son in a bunch of situations that involve business, deal-making, money.

He's in the real estate game.

And I asked him, I was like, you know, does he like it?

Why does he do it?

And he goes, he goes, well, he kind of likes it, but you know, the first he's been quiet about it.

You know, he'd probably rather be on his iPad.

But I told him, I said, this is really important.

And I said, when he tells him, when he goes to these things, he goes, he goes, what clicked for him?

And he's like, he's only eight, nine years old, whatever.

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He goes, what clicked for him was we got into a negotiation and we bought this business and he was like, you know, dad, like, was this a good one?

He's like, yeah, this is a great one.

He goes, then why did they, why did they sell it?

He goes, because my job is to make money off people like you.

Sons who inherit things from their parents and don't know what it's worth, don't know how to do it.

Don't know how to negotiate.

People like me take advantage of people like you.

And that's why you're not going to end up like that.

It was a bit of a hardcore way of saying it.

But he, you know, he's right in many ways that like, if you don't teach your kids skills about business, they'll be put in positions where they're illiterate, financially illiterate. They're incapable of negotiating well and capable of analyzing the property to find out what it's really worth.

And so he kind of teaches him, he asks him all the time, he's like, hey son, what do we do when we go to these things?

He goes, you know, we win businesses off of people like me, right?

Or like, you know, kids who don't learn like I'm learning.

And so, so I think, you know, getting your kid to the table, I think it's more important that people realize even if the kid is very quiet in that moment, there is something happening.

My dad put me in a position like this that I'll never forget.

It was, I was in college and my dad started to see that I was getting into the idea of entrepreneurship.

And he said, hey, I got this meeting in San Diego, come with me.

This guy's a great entrepreneur.

So I get on the flight, I fly there and my dad's flight gets either delayed or canceled or I don't know, maybe he did this intentionally, I have no idea.

But either way, now I was in San Diego and my dad's not there.

And I'm like, well, what do you want me to do?

He's like, you got to go to the meeting and I was like, I don't even know about your business. I don't know anything.

He goes, just go to the meeting.

It will look really bad if we don't even show up.

So I go to this guy's office.

My dad had talked to the guy and said, hey, look, my son's coming.

He doesn't know anything about, he doesn't know the first thing about the first thing.

But just, if you do me a favor, you know, talk to him.

And so I go to this meeting, the guy's 20 minutes late.

I'm sitting in the room, he barges in and this guy is a ball of energy.

He is like, he comes in with so much energy, so much swagger.

And I'd never seen that in a business meeting before.

And he starts telling me, he goes, he goes, you know, Sean, your, what's your name?

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I say, yeah, Sean.

He goes, Sean, let me tell you one thing.

You want to write this down.

Can you get a pen?

I was like, yeah, I got a pen.

Write this down.

Great customer service.

If you have great customer service, you can own the whole goddamn world.

And I was like, okay, that didn't seem very profound, but let me write this down.

And he's like, I just got off the phone late because I got off the phone with this TV company.

We bought a TV and it's cracked and the service was awful, terrible.

You know, am I ever going to buy from these guys again?

No.

Customer service.

If you have great customer service, you can own the world.

Did you write that down?

Yeah, yeah, yeah.

I wrote it down.

And basically this guy was just this fireball of energy.

He taught me about his background, his story, how he was, how he was, he wrote, you know, he sold movies.

He wrote a, he was a Hollywood script writer.

Then he built a skyscraper in San Diego because he thought real estate was the game to be playing.

Then when the internet started coming out, he built like an early version of Redbox, like a movie DVD rental thing in malls.

And then he got into, then he, you know, he started investing.

You know, he's just, each time he's just, he's like failing up.

He's like, not really making it happen, but he fails up.

And then he met this guy in an elevator, invests his company, it turned out to be like the biggest textbook startup in the world.

And then, you know, he married the woman who did 1,800 flowers and he, you know, he has one thing after another, he just shared like 10 stories, companies he built, investments he made, people he met, blah, blah, blah.

And I'm kind of captivated by this guy and he's like, you hungry?

Let's go get lunch.

And we just left the office on abruptly and I was like, whoa, okay.

And he just walked into this restaurant and the restaurant was like, oh, Neil, yeah, we got your table ready.

And he had his own table at this restaurant in San Diego and San Diego weather is perfect.

And I'm basically just like, wow, this guy's got to live in the life and his table, every table in there had tablecloth, except for his table had paper because he needed a pen to be able to do deals.

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He would write stuff down on the tablecloth itself on the paper to teach me about what was, you know, stuff that was going on and he didn't even order.

They brought out a bunch of appetizers and they just, they knew and he had his own tab. He didn't even have to pay.

He just left.

And I was like, I want to be this guy.

And he, at the end, he gave me his book and he signed it and I read his book on the way home on the airplane and I was like, this guy is amazing.

And literally that experience is so formative because I just saw somebody, again, you are who you admire.

I saw somebody who's just seemed like they were having so much fun.

I felt like this guy was in the mall and he got locked into the toy store and he was just playing with all the toys of life.

And I was like, geez, this, this is how I want to be.

I want to have, you can hear me now.

I want to have this kind of energy.

I want to have this kind of charisma, this storytelling, this enthusiasm, this variety of business experiences, this lifestyle where I just flow through the day.

I'm not locked into one schedule or any patterns that I'm used to, you know, asking for a table and then sitting quietly and then waiting for the bill at the end.

This guy just had his own rules to life and I really admired that.

So I want my kids to meet people like that so they can admire them, but also put them in those, get them those experiences, let them shadow me, join meetings, things like that so that they can, they can see, you know, people that are really interesting and they might have that itch start to develop of like, oh, I want to live like this guy lives.

This versus the cubicle life versus the doctor life versus whatever else.

Okay.

Last thing, a few other things that I think are good experience that I want to have.

Definitely traveling international.

So I was lucky.

I grew up in Indonesia and China, a bunch of different places.

And so therefore I got to see third world countries.

I got to see that other people live differently.

This builds an immense amount of gratitude for what you have, things you take for granted, you know, clean streets and lights and, you know, running water and things like that.

Warm hot water every time you turn on the shower.

So you'd start to not just take those all for granted, you develop some gratitude there.

The second thing is you realize that the world is a lot bigger than just your little bubble.

My wife, you know, grew up in California, lives in California.

We still live, you know, 15 minutes away from the place she grew up in.

She loves it here.

She's very safe here.

But in reality, that exposure to change, you know, to moving, having to make new friends,

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to going to a new country, not knowing the language, that exposure is really important. And you know, she went to India and things like that.

That's how she developed it.

But I want to really make sure my kids have a not so comfortable experience going to a variety of different places, you know, Europe and Southeast Asia and things like that, so that they can experience that.

That's one thing I can do as a parent that's like in my control.

The other things I think would be fun is I want to help them.

Another thing I've seen correlated with success as an entrepreneur is learning how to just simply flip things.

So, you know, buy something, sell it on eBay for a little bit more, right?

Buy a sneaker and then sell it to a sneakerhead, right?

So just flipping things is an experience I want them to have.

And the last thing is little exercises.

So there's this thing called the marshmallow test that people do with employees, kids, students.

It's a pretty famous test.

And what they do is they give you a bunch of, they put you in teams and then they give you a bunch of random tools like sticks, rope, or like a string, sorry, and one marshmallow.

And the game is you need to build a structure using only these tools, and whoever can get it from the table height to the ceiling, like the closest to the ceiling, whoever gets their marshmallow the highest wins.

And so you do this exercise, you play this game, and there's a big moral of the story.

And the moral of the story is what happens is that everybody's, you know, here's what adults do, especially high, you know, high achiever type, types like consultants and stuff like that.

Yeah, well, first quickly, you know, divide and conquer, you know, one person's the leader, they'd say, hey, you're going to focus on this, you're going to focus on this, you're going to focus on this.

And then they, first let's make a plan.

Let's not just jump in silly, you know, let's not be stupid about this, we only have so many materials, let's make a plan.

So they make this plan, the drawing out a structure, one guy's like, oh, I know the physics of this, we need it to be this, this angle, blah, blah, blah.

And then they finally start to build it and they're trying, oh, let's build the foundation really good first, blah, blah, blah.

And finally at the end, oh, two minutes left, oh, God, they shoved the marshmallow on at the end and the whole thing collapses.

And then so always because the marshmallow has a lot more weight to it than you anticipate.

Marshmallow seems like the small thing, but relative to these sticks and string, the marshmallow is extremely heavy, it collapses the structure almost every single time.

And so somebody who literally just took like two sticks and shoves the marshmallow on, they'll win.

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And, and kids take the opposite approach, kids immediately stick the marshmallow on, they don't wait until the end, they stick the marshmallow on, if they don't eat the marshmallow, they put it on first and then they start to learn that, oh, wow, it falls over once and they're like, oh, that's not going to work.

We have to make sure this thing can hold the marshmallow weight and they build the whole structure around that key risk or that key assumption.

And this is like very akin to how bad entrepreneurs and good entrepreneurs go.

A bad entrepreneur waste a lot of time planning and avoids shipping the product to the customer, avoids the harsh reality of rejection till the very end.

And that's when they put the marshmallow on.

And then when it does, it collapses and they're devastated because they put so much work in.

Whereas a great entrepreneur will typically say, well, let's not spend too much time planning on paper, let's just prototype here.

So let's just try something quickly, early on, let's try giving it, you know, put the marshmallow on, let's ship it.

And if it falls over, no problem, that's just, you know, attempt one, we put very little into it, we learned something, let's make attempt two better and attempt three and they'll get four or five attempts in that same 20, 30 minute period that the other group got one attempt.

So I'm going to try to teach them these sort of like almost like moral of the story type of exercises that will show them the value in rapid prototyping and facing rejection early on and learning, you know, testing your key risks and your key assumptions or finding what is the key risk and key assumption and not being afraid to fail.

So those are some of the things that I'm going to do to recap the mindset that things change and that the world is not just the way it is because that's the perfect way.

It's like, no, it's been constantly evolving, constantly changing and it will change again and the people who change it are just people like you, people who see things, see the status quo and decide it can be better.

The next is I'll tell them stories of people who have done that and I'll praise them specifically for figuring things out or bouncing back from failure rather than just being smart or being good at being good at X.

Then I'll teach them the skills of building, selling and investing, specifically giving them chances to become good at debate, gaming, things like that.

And then I'm going to have, you know, experience it, the lemonade stand, selling door to door, traveling to third-world countries, you know, joining meetings or sitting in on meetings, flipping something on eBay and like the marshmallow test.

And I'm going to do all those things and I'm not even going to mention the word entrepreneurship. I'm not going to mention that they should do something because it's their choice about what they want to do.

My job is to, you know, create an environment where they get exposed to it, where they get to dabble in it, where they get to build core foundational skills that they can choose to use later if it's, if it's what's for them.

So hopefully that helps Sophia.

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Thank you for the question and I'm glad I got to sit down and think about this because I do have kids and just sitting down to answer your question for 15 minutes, writing down my notes, you know, that helps me be a better dad.

So thank you and I hope you guys enjoyed one question Friday.

If you'd like these, you can go submit your own questions.

It's like mfmpod.com and there's a little microphone button where you can submit your question to.

All right.

I feel like I can rule the world I know I could be what I want to put my all in it like my days are on the road. Let's travel never looking back.