

[Transcript] My First Million / Patrick Campbell: The Billion \$ Quilting Industry And Using Spy Secrets To Gain A Competitive Edge

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.

It has a bunch of factors that individually are strong characters of like, you know, potentially good businesses.

But when you stack them, it becomes even more valuable.

So it's like, this is a stacking of trends.

So you have the trend of DIY and crafts at home, right?

Then you have the trend of oddly satisfying.

Then you add on community and it's like, oh yeah, people get together and they do this together.

And so you start stacking these on top of each other, then it's like nostalgia.

And it's like, that means something to our family because she made it, right?

It's like a memory of her.

So you stack all these things on top of each other.

And now you have this like, you know, Long Island iced tea of a business where you stacked all these different, you know, things into one cocktail and it's just a strong, you know, kind of a bitch, all right, we are live.

What's going on, man?

How are you?

What's going on, gentlemen?

So we have Patrick Campbell, the company was profit.

Well, yeah, but originally it was, it was something else for first, right?

Yeah.

We called it price intelligently.

So we did a little piece of pricing software, morphed into pricing software and service, a lot of service actually, and then started building this metrics tool and all that kind of fun stuff.

And then recently sold the paddle, which is a payments infrastructure product, if that makes sense.

And the headline, the headline price was \$200 million and you bootstrapped the company.

And I think in a tweet you said you owned, I don't know if it was you and your co-founder or company owned, but like you guys owned almost all of it, right?

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Yeah.

We were bootstrapped.

100% of it, and so we, yeah, but we were pretty generous.

I think I tweeted about the fact that we were pretty generous about giving out equity.

So it wasn't like I had 100%.

We had, I think the headline number is we had 13 millionaires, we had like 30, 35 people made in 6Ks or more, and then I think there's like 120 people all in, people who had worked at the company previously and the current employees who got some sort of consideration out of the deal.

So, and the price was, I think it was 200 over 200.

It was over 200 technically, like we're not public.

I don't know.

It's so weird about these numbers.

It's like, what are you public with?

What are you not?

And I have a board and a boss now.

So I have to have to be a little careful, not that careful, but a little careful about all the things I say.

You do seem like you're cultivating that trillionaire energy that we like to see.

So I gotta say, I'm getting the vibe.

I'm getting that extreme satisfaction and relief vibe that comes when you sell a company.

Well, Sean, ask him.

If only you knew how tightly wound I am.

So yeah, that's interesting.

Ask him where he just moved to.

Go ahead.

Tell him.

Where did you just move to?

I moved to Puerto Rico for all of the obvious reasons.

Just put it out there, just to be very clear, very obvious reasons why I moved here.

And it's 80 and I'm not a huge fan of the heat, but I am like basically recording with a 6K camera right now.

And that's that's that trillionaire energy where it's like, where do you put the money?

I don't like cars.

So I got a really cool, like dope setup, basically.

I mean, that bookshelf needs a little upgrade too.

If I must be honest here, I feel like, you know, this was literally like Ikea.

I don't have anything behind me.

Like let's throw some books up and kind of go from there.

So we'll get there.

We'll get there.

So what exactly did you guys, we used you, I believe, but I think we got, I think we used you for free.

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And I was like, how did these guys make money?

What exactly did you guys do?

Yeah.

So the headline kind of positioning is we, we basically exist to running, grow subscription businesses automatically.

And the automatically thing was the thing that like really worked well for us.

And what I mean by that is like in the perfect vision world, you should be able to plug in profit well to any subscription business.

So in the Stripe, ChargeB, Zoro, whatever you're using for your billing, and then automatically like you get all of your metrics for free, which is probably what you're referencing.

And then we reduce your churn, your cancellations automatically, optimize your pricing automatically.

And now with the whole paddle deal, we like take care of your taxes automatically, charge backs, all that kind of fun stuff.

And so yeah, I think that the big thing for us was when we were this pricing service, we wanted to get to something that was more pure software.

And we were helping a company with their pricing that was about to IPO and we actually discovered they were calculating MRR and churn completely wrong, which was really fascinating.

And so we kind of put those two insights together and then started producing this metrics product.

So you get all of your financial reporting if you're a subscription or SaaS company.

And then there were like 30 competitors and it was like all overnight like the space where we thought we were going to be billionaires for like metrics.

All of a sudden it was like, oh my God, like everyone and their mother is building a Stripe integration.

And so we did some homework, we did some research, all that kind of fun stuff and basically discovered

that like either this is a terrible business and we should stop doing it because no one is really great at monetizing metrics or the free route, which is what we did.

And I think that's probably when we should have raised money like in hindsight.

But long story short, that's what grew and we had at the end, well, still going, but

we had 30,000 companies using ProfoWell basically when we sold and that number is just kind of going up every single day, which is great.

And when you reached out to us and you were like, hey, I think you do you listen to the pod?

Is that kind of why you reached out?

Of course.

Yeah, absolutely.

I'm glad to hang out with the 12 year olds from a recent episode I learned.

Yeah.

You said something which kind of tipped me off.

You were like, I grew up in Wisconsin doing hoodrat shit, hat tipped to Sam.

And I was like, oh, OK, he knows, he knows about sometimes you just want to do hoodrat shit.

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Of course.

That's why we're getting a ranch built in Utah right now.

Everything's going to be great.

I guess that's that's the hoodrat world there.

Are you really you're building the ranch in Utah?

Yeah, that's the goal.

So I grew up in Wisconsin, right?

So I grew up like literally milking cows as a kid and like, you know, kind of having the let's say the Sam Parr lifestyle.

Like my dad has no idea what I do.

He's like just confused.

He thinks I'm being a tax evader, moving to Puerto Rico, like all that kind of fun.

What you are blue collar.

Sam, he's rich.

Yeah.

Yeah.

What'd you say, Sean?

That's funny.

Yeah.

He's like, you just more rich.

It looks like it.

That's what it seems like.

I do what I can.

I think the difference is a Sam's living a little like I'm like all in like just still like knows to the grindstone.

But yeah, I grew up in Wisconsin and then after school, I moved to DC, I worked in US intelligence and then worked in tech in Boston.

And that's kind of when I got into the, to the business space basically.

But what I was going to say is you reached out intelligently because we get a bunch of people who are like, Hey, would love to come on and tell my story.

It's like, yeah, I'm sure you would.

Who wouldn't want to come on and tell their story?

Like I also like to get, you know, free fame.

But the thing you did was you sent us like, I don't know, six or seven bullet points.

You're like, here's, you know, here's some stuff I can talk about.

And then you sent us, I would say like five or six really interesting things.

I kind of want to hop around on those, Sam, did you have a favorite one that you liked from these?

Uh, okay.

Well, let's, so do you have it in front of you?

It's hidden industries.

I got in front of it.

So yeah.

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Well, that's the juicy one.

He that's the juice one.

So basically you said, I think we have the largest subscription financial database in the world, right?

Like you guys have a hundred percent, twenty, thirty billion dollars of annual recurring revenue flowing through your system, which is just a bunch of data that will tell you.

I bet you there's some things that are like, huh, no way.

They make that much, right?

There's like some surprising niches that, that make a lot of money.

And then there's maybe some trends or benchmarks.

So take it where you want it.

But I think that's one that's going to be super interesting for, I know,

I want to know what I want to know the answer.

So I know people listening will too.

Yeah, totally.

So there's, there's, there's a couple of things.

So one, like just to give an example, like, um, we, we would always like, so we study the data and aggregate.

That's what helps like train our algorithms for like churn reduction and all that kind of fun stuff.

But then the other really interesting thing is like, we publish a lot of content on this.

So a lot of SaaS companies, it's like, Oh, what should our churn be?

What should this look like?

So we publish a lot of that.

The other thing that got really interesting was we would basically be kind of like a hidden like helper for deal flow for a lot of VCs.

And we would never like reveal someone's like particular numbers.

Of course not.

But like what was really fascinating is when kind of the, the jungle scout

Amazon, you know, kind of play was happening, like we would all of a sudden have like all of these apps just break our QA scripts.

Cause every time like someone was growing too fast, we would go, Oh, something must be broken with the metrics.

Right.

Right.

Um, so that's a little bit of context.

Um, there's like three or four really fascinating industries, especially going into a recession that I think are really good for like people who want to fast move into them.

One, um, one of these industries that's kind of crazy to talk about quilting and crafts, um, quilting and crafts subscription companies are like growing insane.

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Um, what's fascinating is the quilting space.

If the, if you didn't know quilting is, um, it's about a four and a half billion dollar per year industry.

Um, the average quilter spends about eight to \$9,000 per year on like quilting supplies.

Um, most of that comes not just online, but it comes through quilt shops.

Um, so there's a really interesting local play that we've seen some of these companies use and some of the more popular apps.

Quilting just means like making a blanket that has like designs on it.

Right.

Uh, for the most part, um, now, uh, as a mom, a Midwest mom, who does hardcore quilting, like there's a lot of other stuff.

Like our house, we didn't have pictures up.

We had quilts that were hung right of like different designs and all kinds of stuff.

But yeah, every major milestone in my life, I got a quilt.

Like I have six quilts in Puerto Rico that are useless to me, just given how like warm it is here.

Mom, there's, there's paint.

I see went to someone else's house.

They had a painting on the wall.

It's like, no, no, no, you don't need that.

Just put a blanket on the wall.

Quilts.

Yeah.

It's great sound deadening.

It's really good sound deadening.

But yeah, it's really interesting because like that market is gone wild.

Like even like knitting, like crafts, that type of stuff.

And what's really interesting about it is like, especially in the subscription space, there's a lot of these built in type projects that these companies have started taking advantage of.

So there's this thing called block of the month club that has been around since quilters have existed.

You create a block of a quilt every single, you know, month basically, and it's like a community type thing.

Um, so there's something there.

Quilt retreats are a huge thing, like quilt retreats.

Like I didn't know about that.

Like all of these mostly like middle aged or older women coming together, like hanging out and staying up all night talking and like, you know, quilting.

So that's one space, the craft space, knitting, all that kind of stuff is really interesting.

Another one that's interesting is, uh, basically old people, uh, before you move

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on, before Sam, do you know stuff about quilting?
I feel like you know, we have knowledge about this stuff.
No, I don't, but I'm looking at, I just Google block of the month club.
So that, that's like a, that's like a genre of clubs.
That's not like the name of a, of a club, right?
And I just, I'm just like, yeah, or I don't know, a style.
And I'm looking up what, what these are, what these are.
And I'm looking at the businesses.
It wouldn't shock me if some of these are doing nine figures.
So a hundred million dollars plus in subscription revenue, based off
just some of their traffic, like there's craftsy.
There's Annie's kit clubs.com.
I do know anything about these.
Yeah, yeah, yeah.
So there's, there's, there are definitely nine figure companies in the space.
I'll put it that way.
And then nine figures a year.
So a hundred million plus in subscription revenue for sell.
And they basically like, I don't know what differentiates all of them.
I'm just clicking on the ads, but they just sell like, they send you a block.
You know what a block is, Sean?
Like just one square patch of the quilt, a square patch.
And during the holiday, this is making my dreams come true right now.
Just like learning you guys right now.
People think that I am in Western.
I grew up in like an urban environment.
So I grew up in like the city.
So we didn't, we weren't exactly quilting, but.
We basically, what they do is they, they send you a patch, like a, like a block,
like a six inch by six inch block.
And it looks like it's like, got like pumpkins and a snowman on it.
And that's like the holiday version of what do you do with that?
You stitch that into the other blocks that you've been getting.
Yeah.
So basically here's, here's how quilt gets made.
I can't believe I'm about to explain this.
So a quilt gets made by these blocks.
Now, sometimes it's just designed.
Sometimes it's got stuff on it, like snowmen and stuff like that.
So you create these blocks, you build a top.
So let's say you want like a king size bed.
It's just the top.
So it's just one layer of fabric.

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What you do is you take it to a quilt shop and then you go to the quilt shop and the quilt shop is going to charge you per inch to put a back and then a batting, which is like the stuff that makes it kind of a blanket.

And then they like put a design in there as they like put those layers together and then you have a quilt.

Right.

And then some hardcore moms like my mom has her own basically quilting machine.

That's like an eight foot machine to basically make all of these quilts out.

So yeah, it's, and this is the thing.

Your mom's a bad 99% of them are on like Facebook.

They're all like they're really targetable, which is really fascinating.

And like the YouTube content that's come out of like the quilt community is pretty wild as well.

And yeah, there's this one in Missouri.

I can't remember exactly, but it was like this town that was like basically, you know, on its last legs, this woman, her, you know, basically her son started doing YouTube videos where she would just explain how to do quilting stuff.

It's created, it basically revitalized the town like because everyone comes on buses to come visit the town and go to the quilt shop and all that kind of fun stuff.

And the quilt shows, quilt and craft shows are pretty fascinating.

This is all my childhood coming out because I got dragged to use bookstores and quilt shops basically.

And the quilt shows are wild.

Like they'll just be famous quilters on stage with a camera like doing quilt stuff like basically, which is just kind of a fascinating world.

And it's a lot of money in it.

That's like kind of like old school, meaning like there's a couple of really big players that kind of sell everything.

And there's all these new school folks coming in and kind of lopping off different segments.

What's a new school company that I would look at?

So the one I was just scribbling.

These moms, while you're looking at that up, these moms, these quilters are not using Instagram a lot. It looks like I'm like looking up quilting on Instagram.

And Facebook groups real heavy.

There's not a ton of pages on Instagram that are doing quilting.

But sounds like an opportunity, by the way, to like build big quilting pages on Instagram. They are Facebook groups.

They're the Facebook group.

I've seen I saw just researching while I'm here.

I'm looking at tons of highly engaged quilting Facebook groups.

Well, it's also interesting.

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Like you'll even in Boston, like there'll be these little like meetups.
So the younger community, they're kind of going through knitting into like quilting because it's like, oh, you get to build something.
The designs are a lot more modern, all that kind of fun stuff.
But yeah, it's an interesting, interesting world.
A Missouri Star Quilt Company is the one that I was referencing.
The YouTube kind of kind of world.
How big is that?
I don't know their revenue individually.
I don't think they have a subscription.
Sean, have you heard of Hallmark?
You know, Hallmark cards.
Of course. So they used to own like 50 Hallmark stores.
Really? I was like, how are these people so rich?
And they're like, oh, now they own like 100 Hallmarks.
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 days, 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 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 Hallmark is an interesting company related to this.
And everything I'm saying is off the top of my off memory, so I may be wrong.
But they Hallmark is a privately owned business.
It's owned by a family.
And I think it's one of the largest privately owned companies in the world, in America, and they do five billion dollars a year in revenue.
And I think that they make money in two ways.
They have these stores that are franchises and they just sell cards.
So Hallmark just sells cards.
And then the other thing that's kind of weird is they own Hallmark Media, which is a Hallmark TV station channel.
Yeah. Yeah.
Where they make like it's a joke.

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It's like a genre Hallmark movies, which is like a sappy movies that moms like.

But I wouldn't be surprised if they own like if they're just like, you know, behind the scenes and the quilting game, just calling the shots.

You know what I mean?

They're deep in the underground quilt game.

Yeah. Big.

The big quilt.

Yeah.

There's only one one I fear.

It's big quilt coming after us.

In fact, we just stopped laughing about this.

So it's those companies, man.

They're huge. Some of the big originals, they're huge.

This this hobby, I think, has legs for a couple reasons.

One is it has a bunch of factors that individually are strong characters of like, you know, potentially good businesses.

But when you stack them, it becomes even more valuable.

So it's like this is a stacking of trends.

So you have the trend of DIY and crafts at home, right?

Then you have the trend of oddly satisfying, which is you've seen these videos of people cutting sand or like ASMR or stuff like this,

which is like there's a therapeutic benefit to doing these things

tack like these repetitive, tedious, clean, straight lines,

you know, stuff with your hands that you can do that has like a tactile feel to it.

Then you add on community and it's like, oh, yeah, people get together and they do this together.

OK, so now this is an excuse.

It's like, you know, guys get together to play poker or something like that.

It's like, yeah, we don't all really, you know, we're not trying to be the best poker player, but it's just an excuse to sit around and bullshit.

And so you start stacking these on top of each other.

Then it's like nostalgia because people are making quilts out of like their kids' clothes and stuff like that because, you know, they don't want to, yeah, what do I do with these old stuff?

And then all it becomes this like, this like memory and this heirloom.

And I like, you know, I have a blanket that my grandma made before she passed away. And it's like, that means something to our family.

Because she made it, right?

It's like a memory of her.

So you stack all these things on top of each other.

And now you have this like, you know, sort of like this, you know,

Long Island iced tea of a business where you stacked all these different,

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you know, things into one cocktail and it's just a strong, you know, son of a bitch.

Additionally, I think maybe you could kind of tell me if this is true or not. But from my experience, most people in Silicon Valley and young people, they're like, we're going to make this app or this widget for like millennials or Gen Z. In reality, every business that I know of personally that are the majority of my friends who own businesses that sell stuff to women in middle America between the ages of 30 and 60 hands down has the highest loyalty and engagement and lowest amount of churn.

Is that accurate other than businesses?

I'm talking about a group of consumers.

Yeah. So normally, if you're selling to normally older audiences from a consumer perspective, retain at a higher rate, mainly because of the implications that you're already alluding to. It's they're less finicky, like they're harder to convert sometimes because of that loyalty.

But once they're in, they've like made a decision and then they're they're sticking it out for quite some time.

And this is kind of like as a lesson, like I can tell you any time there is a more premium product or a more niche audience, you just have better churn like every single time.

So like Butcherbox started with the whole kind of paleo crowd, a very niche, is very premium in terms of price point worked out really well. Woops started very high.

They were like, we're athletes.

And then all these people who were like, I want to be an athlete, too.

And they're charging 30 bucks a month.

Right. That's always what I recommend is if you're starting something, especially if you're bootstrapping, start high and then come down.

It's a lot easier than it is to like start really cheap and then go back up unless you're running a freemium model, which is a very different model to run.

Sean, have you ever been doing, have you been doing Applebee's lately?

Oh, hell, yeah.

Chili's and Applebee's, baby.

Have you really been doing Applebee's?

Yes, I have.

That's hilarious.

So you know how their whole shtick is like, even though it's a chain, it like they put like the neighborhood baseball team on the wall, which who knows if it's actually from that neighborhood.

Like, you know, whatever you go there, they make it feel like that.

Well, I had a friend that worked on the advertising part of Applebee's.

And one time we had to go there and like order everything on the menu

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and drink and eat it all.

It was horrible.

But I was like, Tony, this food is like quite bad.

Like, this is horrible.

I don't like, I don't think you're going to be able to make this cool.

Like, you know, you're telling me like a, it was like a nuclear green,

like limeade, like I was like, dude, this is horrible.

I don't want to drink this shtick.

This is awful. Or like one time I thought.

Why does the cheese taste like beans and the beans taste like cheese?

Let's go. Yeah. Well, they sent over something.

I'm like, I don't know what this is.

And so we dipped it in there and it was icing, like it was like a side of icing.

And I was like, dude, this is horrible.

Why do people like this?

He's like, well, it's mostly middle America.

And they call him, I believe that they called their ideal customer a Jim Bob, which is someone who is in their 50s, 60s and 70s and has a little bit of money.

But once they continue going there, because it feels like it's the last like Hurrah for the neighborhood and they're supporting their neighborhood and they're willing to put up with the crappy food because it somehow feels like their way of life is under attack.

And this is like the last like thing that represents their neighborhood, even though it's some huge national change.

The world is changing so much.

And this is all this is the one staple that like you walk in and it feels exactly the same as it did when you were 14. Right.

Well, yeah, we're going to say I literally wrote this last night.

So I'm reading a Slack message last night, 12, 35 a.m.

So right after midnight, I just slacked this to myself.

I wrote, if you're selling a cool thing to a cool person, you're playing the game wrong.

That is hard mode.

And this is all of, you know, you meet most people in D to C, most people in Silicon Valley.

It's like they're they are in their 20s.

They're cool and new in the world and they're selling to cool and new people in LA and New York and San Francisco.

And they're like, yeah, of course, like, you know, I'm going to create this new cool thing and I'm selling to new cool people.

And what you want to do is you want to sell simple things to simple people.

And so and I had a buddy tell me this with with project I was working on.

He goes, he goes, OK, so what's your main like sales channels?

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Like Facebook ads, he goes, OK, so that means your customer at scale is an overweight, overworked mom in Texas.

And he's like, so I look at your website and I don't see anything that like appeals to her. Like, it doesn't have to look like her, at least to look like how she wants to look.

And and as it basically was like, you know, if you can't sell to an overweight, overworked mom in Texas, like you can't scale.

And I was like, what the hell?

Like, OK, OK, but you don't even know any overweight, overworked mom in Texas, do you?

I used to live in Houston.

That turned out to be a valuable.

It's just like you were saying, like, you know, my mom used to drag me probably kicking and screaming to these quilting shows.

And now that you're an entrepreneur, you're like, oh, quilting niche.

Tell me more, right?

Like it's like we flip, you know, the thing we used to resist.

Now we, you know, want to want to go go for it.

So it's the same thing, like growing up in Texas, that's like, man,

I just thought everything cool was in New York and San Francisco and L.A.

And I just wanted to go there.

And now that I'm here, I'm like, dude, I don't want to sell to these like fickle millennials who are like, you know, trying to do like Barry detoxes.

Like I want to sell, you know, something to a mom in Texas.

Because if I could do that, that's a license to print money.

And like, if you go look at, you know, the best selling car last, I don't know, 30 years is the Ford F 150.

It's a, you know, it's a pickup truck that sells for \$36,000.

You go around San Francisco, you won't see one, right?

You know, you would think the best selling car in America is the Tesla Model X, you know, and it's like, that's just not the case because you're in, you're in a bubble.

And so, you know, and I think the Jim Bob, you know, overweight mom in Texas,

the, you know, the other one is, you know, the enterprise sales one is like,

you know, you're selling to Bob, the mid-level manager or the, you know, senior manager who's, you know, got a little bit of a belly and he's losing his hair. Like that's who you're selling to.

And you got to like, can you nail that sale?

Because if you can, you could build a very, very big business.

And I mean that like the most loving way possible, which is basically just saying to most entrepreneurs and most kind of young people, like get out of your bubble.

Well, you end up not chasing fads.

Like there's a lot of fads, like business built on, built on fads, right?

And those are great businesses, right?

Like we hear about them all the time.

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The guy who, what was it, the teeth?

Like I can't remember like the, the hillbilly teeth.

You remember the SEGA stations?

Like apparently like \$20 million like business, right?

Like the snuggly, huge fad, you know, hundreds of millions of dollars,

I believe in revenue, but like something I'm quilting has been around forever.

It's not sexy, right?

But the targeting gets really interesting.

And like some of the other things, right?

Like you guys talk about this a lot where it's like services business,

you know, lawn care, HVAC, all these other things end up

being like stuff that sticks around for a long time.

And, you know, through the businesses that you don't really hear of.

And there's a lot of opportunity in terms of roll up or like flipping

the model that, you know, was basically being used by the folks

that are the incumbents.

So what are some of these other, or if you're, if you're going to innovate,

innovate on just one thing.

So it's like, oh, quilting people love, but there's not a lot of Instagram

theme pages and communities on Instagram.

Okay.

That's like, it's just like, I can do one new thing on top of nine old time,

you know, nine things that are still going to be the same.

And that's like a new thing, right?

Sam did the news, but he did it through email instead of through, you know,

printed papers, right?

And so like one new thing and then he didn't need to change everything else.

Everything else could stay the same because the human needs stayed the same.

Oh yeah.

Sorry.

We went up long ass time on quilting.

Talking about quilting, baby.

It's great.

Yeah.

What else you got?

What are some other kind of issues that you like?

Three other spaces.

Have to go deeper.

Trades, roll ups, plumbing companies, HVAC companies,

electrician companies, there's a lot of that stuff happening.

It's not like machine shops or those types of things where it's just like

hard to innovate.

It's like skilled enough that there's a niche and there's like a moat,

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but it's not skilled enough that you can't roll it up.

A lot of these guys and gals are looking for basically a way to retire and it's kind of like accountant, you know, shops like they don't get more than one X max, right?

In terms of their business, basically things to sell to kids of old people.

That's the best way to put it.

What does that mean?

I don't know.

Yeah, I saw you wrote that.

Products that prey on baby boomer kid guilt.

Yeah.

Yeah.

So a really good example.

It's not a huge company because it's a one man shop out of Boston is nanograms.

It's basically a I don't know if you email or you post it on Instagram and then it automatically sends a postcard to your Nana or to, you know, whomever you want to send it to.

So there's some really interesting things that are happening there where like you have high disposable income in a certain group, low amount of time that wants to be spent necessarily with like, you know, their parents or their grandparents, depending on, you know, the personality.

And as basically the trend that's happening is there's a huge portion of population that are aging.

So you're seeing like the multiples on things like old folks, homes or hospice care actually increasing pretty substantially, which is kind of crazy.

And then there's there's got to be more technology plays.

I don't have like a giant technology play there.

I just have seen like a number of people like start to build on that particular trend.

And then the last one, which I think is really interesting is death.

That sounded terrible.

I find death interesting.

No, I'm not that that scary, but there are four or maybe five companies that basically own everything in the literal last mile of your life.

Coffins, the funeral service homes, everything that's being sold in the funeral service homes, even like how the memories and kind of like that last part looks.

There are some businesses that have tried, but because of like the five people kind of owning everything and multi-billion dollar companies.

What's the big one?

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It's essentially happen.

I don't have the names in front of me.

I know someone tried five years ago.

Got named Dave Balter in Boston basically tried to start a like memory company where basically you would load up memories essentially.

And then all of a sudden you would get that information back via Alexa.

So you could be like, oh, Alexa would tell me about my grandpa or something like that and what happened like six years ago or something with him in an adventure.

But he was the one telling me that like basically he would go visit, you know, these companies like, hey, maybe I could sell to these companies and they were all like buttoned up suits, you know, all that kind of fun stuff.

And so that's a space that I think given the aging population, there's probably something there that that makes sense as well.

Gotcha.

Let's switch gears real quick.

You had said something else, which was let's do some quick hits.

Okay, so let's try to do these.

Give me the kind of the quick, quick jab on these.

You said I used NSA learnings to do competitive intelligence.

What the hell are you talking about?

Yeah, yeah, yeah.

So I my first job out of school, I worked at NSA.

So as an Intel analyst, best way to put it that I was like, Jack Ryan's desk job.

So none of the cool stuff.

I did have weapons and defensive driving training, which is kind of cool.

The defensive driving training is like so much more useful than the weapons training in my real life.

But what's really interesting about it is like, it's basically was the best career start in like first principles, thinking and like thinking about like a target.

And so I had a competitive Intel program basically at Profo while it was just me running it where I had every quarter I had stats.

And it's kind of like what you guys have talked about before, but like a little bit deeper.

So what I did is I had shadow lists of like each competitor, even our partners, like customers.

And I would send like shadow NPS surveys, you know, product research surveys, these types of things.

And the thing that people miss on competitive Intel is like, it has to be done over time.

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And this is something that like they teach you when you're going after a target on the inside, which is like, I need to understand not just a point, I need to understand like multiple points in order to kind of create a profile basically.

How did you get that NPS stuff?

Oh, he said he sent a fake NPS.

I straight up sent surveys.

To their customers.

So it walked me through that.

Walk me through all your research methodologies.

This is crazy fascinating.

Yeah, yeah, yeah.

So there's two, there's two main sources of information.

There's moles and then mass data.

Moles are like qualitative, like almost like customer development product conversations.

These are former employees.

These are, you know, customers I know that are friendly to me.

They're not going to switch because of whatever, but I can like talk to them.

Okay, well, let's pause at former employees.

You go, you find, okay, this person used to work here.

What happens?

What is the, what is the guy?

I do this all the time.

Present this.

Yeah, me and Sam have talked about this on the pod once.

But totally.

So I like, you meet him at a conference.

Oh, it looked like on Twitter that didn't end well.

They weren't like after four long, wonderful years at so and so.

I've now moved on, but it was like, I'm now over here, right?

They took out the competitor name.

That's someone I want to like, like a better phrase target and have a conversation with and be like, Hey man, how's everything going?

Right?

Like that type of a thing.

Um, and again, you're not going to get a vast amount of information, but again, it's about collecting different points, right?

And then I've talked to an investor and then I've talked to an investor who's thinking of investing in the company.

And then I've talked to like some customers who are officially churning from the product and all of a sudden I can start putting this together, but that the more fascinating stuff and that's color, right?

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Like that's color that kind of guides your analysis because you as an analyst, what you're trying to do is you're trying to predict what's going to happen or based on some sort of stimulus, what they're going to do. Right?

And then all of a sudden something comes in or there's a feature that's launched or some sort of messaging or marketing thing that happens.

What are they going to do?

And that's going to help you respond to whatever they're going to do, right?

And prepare for it.

Right?

So that was really interesting because you almost get like feel from those types of people.

Like, Oh, it turns out like there's an exodus.

A lot of people are leaving.

That's great.

Let's step on the gas here.

But the real kind of secret sauce is what, you know, Sam started asking about, which was there are many lists of customers that you can find.

If they have some sort of a snippet, obviously built with clear bit, all those types of things, right?

That's one.

Everyone likes to talk about their customers.

Right?

So they have case studies.

That's two.

Everyone likes to put the logos on their website.

That's three.

Right?

And so you're looking at social, you're looking at built with, you're looking at all these logos.

And then I'm like, well, who's the main customer?

Right?

I can go find all those email addresses.

Right?

And you're not looking for like, Oh my God, I have 10,000 people because most of these people don't have 10,000 customers.

Right?

But we were looking for is enough that then I'm going to start sending on an every three month basis, a survey or every other month, I'm going to send an NPS survey and then I'm going to send.

So what domain do you send the survey from?

Like your company name plus feedback, feedback.com or something or what?

There's a couple.

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I don't want to go too deep, but like probably my reputation is already fried on this.

So like, let's say you're, let's say you're trying to, let's say you're creating a HubSpot competitor and you want to get HubSpot NPS information. Do you send an email that it's like hubspotfeedback.com or like gethubspotfeedback.com or something like that?

I wouldn't go that far because if someone finds that out, like it looks real bad, right?

But what I would, and I'm sure people are going to think everything I'm saying is really bad, but like whatever, right?

And so what I would do is I'll do more like marketingsoftwareresearch.com or something to that effect.

And then the way that I position it is, hey, so and so you've been identified as a user of HubSpot.

I would love 30 seconds of your time to understand what you love and what you don't love, right?

And the 30 seconds there, 30 to 60 seconds there is really important.

We've sent our pricing softwares fed through surveys.

We've sent like probably 10 million surveys at this point.

If you're not compensating someone on an individual basis, the raffle thing doesn't work.

It's, I mean, it will work for some people, but most people doesn't work, but you, if you're not compensating, you have 30 to 60 seconds.

So I'll send a survey that max five questions, right?

NPS standard question.

Here's five features.

What's the most appreciated or most preferred feature on that list?

Same list.

What's the least preferred, right?

So three questions.

Maybe I'll throw in anything else you want to tell us about HubSpot, right?

And then all of a sudden I have like a picture and then I'm going to send, oh, it's interesting.

We're thinking about building this thing.

They're thinking about building that thing.

Like let's do something next, next quarter or next month, but the same survey can be sent multiple different times.

But the important thing here is you're building a timeline, right?

Because now all of a sudden I can see these trends and what was really interesting and the thing that I told you guys about was not only, so first you should never show this information to your product team.

It is the worst information.

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Like we've seen like competitive based product teams are really bad.

Like it just doesn't work.

But I have data and I'm happy to share it that competitive based marketing teams, like teams that it's correlative, of course, it's not causal, but those folks who have competitive programs typically have much better retention and lower CAC.

What are you talking about?

Basically he's saying, in explaining this, what he's saying is if you learn this stuff, if you go tell the product team, hey, here's what they said they want or here's what you should build.

They screw them up.

They don't build the right stuff.

But if you go to a marketing team and you say, here's what pain points were most important to them or here's what benefits were most important to them or here's how they ranked these guys versus us.

The marketing teams, if you have that competitive intel as part of your process, a marketing team will perform better than a marketing team without that competitive.

Perfect example.

Real world example.

We start hearing, this is the early days of the metrics product.

We realize getting accuracy for metrics is actually incredibly difficult because it's not like marketing metrics that can be like 5% off.

Like financial metrics, if you tell me I have this much money that's supposed to be in my bank account, I'm making decisions based off that.

It has to be 99.9 if not 100, right?

So we start feeling this just as a product team.

All of a sudden we start hearing from some of my like, my moles, if you will, and they don't know that they were these people just to be clear.

Like I turned them and they're like, you know, there's drops and everything like that.

But also I start hearing like, ah, yeah, we're using up the accuracy sucks, right?

So all of a sudden we start hearing this totality of information.

All of a sudden that is our core marketing strategy every single time comparison pages.

We didn't do that many of them, but every single comparison page is the number one thing.

All of our ads, like competitive ads, that's what they were.

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And then over time, all of a sudden that became their home pages, right?

Because they're reacting to us rather than us reacting to them because we found the snippet that makes the most sense.

And the most like aggressive thing, um, if this doesn't sound aggressive enough is, so I have all this data, I have all this information, I've collected it, I've synthesized it.

I know by the way, do you keep that like a spreadsheet or like a notion and you're making and you're writing like narrative formats?

It depends on using it, right?

So the data is just tracking over time, right?

So I can send you like some slides or something like that.

So I have some slides that like I put together for when we were going to go raise money for the first time as well because it's just really good data in general.

Um, one thing I have is, is basically spreadsheets that has a lot of this information, especially the qualitative.

And then the other thing that I build off of this are red team docs.

I don't know if you guys know what those are, but basically like every thought I've had or every thought that I learned from this data, because this data, like customer data and market data is probably 10x more important, but this is like some interesting data that's easy to talk about in a podcast.

Um, but red team docs is when I look at all this data, it's like, what are the things that kill us?

Every single thought that I've had that could like kill us or hurt us goes into a doc.

Some of those docs get built out.

Oh, uh, someone accuses me of X someone says this on Twitter.

And then it basically at minimum has here the steps that we're going to take so that when that thing happens, all of a sudden we have a head start on the little critical piece of the thinking.

Um, but to make a long story short, the thing that I reference with you guys is I would have like these are all funded competitors.

So they would try to go raise money.

I would have their, um, the people they were trying to raise money from come to me, like not tell me that they were trying to raise money, but it's obvious because they invest in the space.

It's not the associate.

It's like the partner coming, like all that kind of stuff.

Some of them would straight up tell me like, Hey, we're thinking of investing and so and so what do you think?

But what I would do then is I would show them these slides and I would

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just basically be like, here's all the information on, on us and, and the person that you're thinking of investing.

And I wouldn't say that unless they were upfront about it.

And what it, I, I know for one, we, we killed one of the rounds that someone was trying to raise.

Like I can tell you that definitively, um, because one, like, okay, I'm going to invest in someone going against this psycho who like has all this information, right?

Like that's a pretty scary thing.

And then two, like all of our numbers are better because I, you know, we just ended up, you know, doing really well at certain, a certain number of things, right?

And so, um, that, that I think is again, it's a program that I think that you should have, at least at a bare minimum, um, from a marketing and go to market perspective, if you have a market that becomes really competitive, if you're in like the blue ocean, as they say, like, it's probably a waste of time.

Um, but it's just something where our ocean got read real quick.

Um, I think the look on your face, tell me what you're thinking right now.

I think I'm very good at research and I'm very good at doing what I do, which is like doing the exact same thing of finding moles, getting intel, reverse engineering.

You have said, I think I'm in a nine out of 10.

You have said some, some things to me that I realized that there's another couple levels that I can go to improve.

It's pretty magical.

Uh, that the, that's pretty amazing.

Yeah.

Well, then keep in mind, like I have all this market data, right?

So that was interesting too, because all of a sudden I can understand, like, so for example, COVID hit again, I can't look at anyone's accounts and we're very, very, um, very, very like strict about that.

But I can see, oh, this sector that has 50 plus accounts, which is our terms, this sector's tanking, this sector's taking off.

I can change my marketing almost instantly, right?

And when you have some competitive intel, especially on segments, like I knew the segments that our competitors were going after, and I knew the segments we were going after, um, it just helps feed the wheel.

And when you're feeding the wheel and you're getting that PhD in your business, which I think is really important if you're, if you're going all in, like all of a sudden it's like, now a lot of the decisions, like we don't have to think about because it's like, we know what's happening.

We know what strings being pulled.

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Let's react to it.

Let's respond to it and kind of go from there.

How much of your time is spent on that?

R.

Sorry, go ahead, John.

Well, now it's a system.

The best way possible.

It's a system now.

So it's a system.

So I don't spend that much time with it.

I just get the collect, right?

And it's just documentation, right?

So for example, I have names, like I know, I have, I have six names that I can tell you of users of a competitor of ours.

I see them pretty regularly, especially since events are back.

I'm friends with a couple of them, right?

And I'm not like, I, I'm not hiding the fact like, hey, how's it going with competitor A, right?

Like I'm not hiding it, right?

And that, and that's the thing that like, there's a point here where I think you're, you're kind of being an asshole, like, and, and you're, you know, being like conniving.

And then there's a point where you're just like being smart and collecting data.

And I try to stay like obviously on that part of, of the divide, if that makes sense.

Did you ever think about turning, would you ever turn that into a business?

Yes.

Yeah.

I think you could create a really good business around collecting NPS data.

Honestly, G2 crowd reviews.

That's where there's a ton of like data.

Like I would love someone should create this because it would just do my job, which is great.

Quarterly report kind of like for this is the thing for us to reports.

I think there's also like a market to like blow that whole business up.

Give me like quarterly reports instead of these reports where you called 100 people a quarterly report on the same company or on the same industry that has, here are the reviews, the new reviews, positive of a competitor.

Here are the bad reviews, negative of a competitor.

Here's NPS data, all that kind of fun stuff.

And, you know, again, you have to be careful on how much you use this information.

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Like you're using it to build like a profile.

You're not using it to like immediately react to.

And that's a mistake a lot of people make.

Sean and I had, we brainstormed this a lot and we were talking about how we both use Glassdoor reviews because even though like Glassdoor is typically like either fake or incredibly happy employees or like disgruntled employees, there's not really a middle, but like you could still get a lot of interesting information from there and you get information from like LinkedIn. Like they'll say like, you know, I manage a pipeline of a \$10 million a year business and like, oh, thanks for telling me.

And like we would like, we, we, we brainstorm this idea of this business where we, I think we call it like I spy or something or like it involved like spying on like many people in a, in a particular industry and just sending you an email because you can use like Facebook ads manager and be like, oh, wow, these guys just made a switch.

They are now targeting older women as opposed to younger women.

And we called it like spy something and it's kind of funny.

You worked for the NSA.

You, you, you, you know, you are the spy that we were talking about.

So like it is kind of interesting.

I do think actually a business could be built doing this.

I think the problem is, is that so I've been talking about customer development, customer research, because you should do all of this for your customers.

That's what you first start with rather than your competitors.

The competitors stuff sounds sexier, right?

But I think that like, I used to talk when I give talks of conferences or like events all about customer development, 15% of people like care.

And then even when you give them, like everyone cares, everyone tweets the tweet, oh yeah, you should talk to your customers, right?

15% of people actually do the work.

And then when you actually take care of the work for them and just give them the data and this is the one risk of this type of a business.

I'm sure there's a big business in it, but then they like don't know what to do with it, right?

And so all of a sudden it's like, okay, you're kind of giving people information which that's probably fine because it's a vitamin then, like they don't, they like that they have it, right?

But then actually implementing on stuff, like they probably don't do it.

And that means like, I don't know, if you get a 36 month customer, like I'll take it, right?

Like they don't need to be 60 months necessarily for you to build a big business. Right.

You're doing one other thing that I find fascinating.

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Actually, well, there's two.

You said, I'll start with the less fascinating one.

You said you're buying a shit ton of debt for pennies on the dollar and going to forgive it.

So what's actually going on there?

Everyone wants to be Mr. Beast on a long enough timeline.

Everyone wants to be Mr. Beast.

That's what I feel.

Life theory.

I like it.

No.

So like, here's the thing.

I'm probably going to reinvest everything that I got into this until like another business.

Did you say how much, how much did you make from the sale?

Trying.

I kind of work with a lot of people.

So I'm trying not to be super over or under nine figures.

I'm not going to say what I got.

Let's just put it that way.

I asked you if it was over or under a hundred million dollars and it took you a minute to think about it.

So what I'm going to assume is that it's that number.

Give or take 30%.

Give or take 30%.

Yeah.

But like, again, part of it's stock.

It's not all cash.

There's a lot of different factors here that I don't want to get into.

But I'm going to, I'm fine right now.

Like, I'm going to do fine if that makes sense.

So, but I want to reinvest it all because like, again, I'm not a car guy.

I'm not like, and again, I've had it for like two months.

I went from like, this is a fun fact.

I did the whole Dave Ramsey, don't have any debt, pay off the house as soon as possible thing.

So in January, I had \$20,000 in my bank account and I paid off house.

That was it.

And then this happened.

So I haven't adjusted to it is what I'm trying to say.

So like this might change in like six months.

But I want to like, you know, I want to go all out and go all out not in a way of like, you know, like fancy cars and stuff like that.

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But like in stuff that's really interesting and gets me on the quickest path to learning. And one of the reasons for the debt thing, and also the, I don't know if you're going to bring up the other one, but like the debt thing was this, the debt markets just crazy. Like it's insane, right?

It's insane how much debt there is, how that debt is purchased.

I don't understand it.

And this is one of the ways that I can like really understand it and also do some good in the world where it's like, I can buy a bunch of debt for pennies on the dollar.

I can understand how that system works, how debt collectors work, how the debt collectors sell to another debt collector.

And then also like, obviously forgive some of that.

So make it simple.

What debt have you bought?

How are you buying debt?

What debt are you buying?

How are you buying it?

What are you doing with it?

Yeah, yeah, yeah.

I'm, I have not actually purchased the debt yet, right?

I am basically exploring right now.

I just put some feelers out because that's the other thing.

The debt market.

Who, who did you reach out to, to see if you can acquire some debt?

See, see, that's the interesting part that's about to, was about to bring up.

It's so shadowy that like, there's not like a website that's like, we buy all the debt and then sell the debt and all that kind of stuff.

There's nothing.

So I have a buddy, I think he's, I don't know if he's cool with me saying his name, but he used to, he runs a really cool subscription conference now, but he used to do this.

And I was asking him, he was on like the, the board of one of these debt agent, like associations, like a business association, and I was like, Hey man, isn't it scamming?

And he was explaining to me that like, in that market, there's like 20% of the market that's like very bad.

Like those are the ones you hear all the stories about threatening people.

The other part of the market, like he was in this, he was like, he would just call people and be like, Hey, like what can you do?

Right?

Because he bought it for pennies on the dollar.

So he's like, give me 30%.

Great.

Like he made money, they get it done all that kind of stuff.

And this is like someone who owes, this is like someone who owes \$2,000 because they got an X array or took an ambulance or, um, I don't know, whatever else you have credit

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card debt for, right?

Yeah.

And the other thing is the reason, the reason this is interesting, and this is like to kind of speak a little bit more like how I'm thinking is like, I don't want to build a quilt company, although it would be fascinating.

Don't get me wrong.

Like I, the stuff Paul Merluck, he's doing in defense.

I'm all about it.

The stuff that like Aaron Swartz did before his passing, like in terms of opening up databases that were, that were behind, um, gateways, but supposed to be free and making them free.

Like that's the type of stuff I want to do.

And like if you look at debt, money in politics and defense, those are three giant areas where like there's huge things holding us back.

Um, cost plus pricing and defense is holding us back.

The Palmer's working on it debt.

There's just so much debt.

Um, most of its student or not most of it, but a lot of its student debt.

And so like there's something interesting there of like, how can you make money, but also like not be a jerk, right?

And also like, you know, take that burden off people's plates and then politics, money in politics, there's, there's something there because I don't think we're just going to magically have, you know, people wake up and be like, let's vote against having this much money in politics.

So like what's a world would look like where you accelerate the money in politics and hopefully break some of the log jams and kind of go from there.

So that's, that's, those are the three things I really think about, um, in terms of like post paddle life, if that makes sense.

And, uh, Sam, you want to do anything on those?

Otherwise there's one.

Yeah.

Well, before we, I want to get to this last one.

This is interesting, but I do want to do a quick, I have a quick question, which is you, you're 32, right?

33.

How old are you?

Uh, yeah.

33.

Yeah.

I turned 34 in a couple months.

So you're 33, 34.

You just made a huge sum of money.

Have you done the math to when you become a billionaire?

Uh, I'm sure you have.

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And, uh, how does it feel to have such a huge sum at such a young age?

I mean, that's pretty wild, right?

Here's the thing I learned and some of your guests.

So actually friend of the show Hermosi, I talked to him a couple of weeks ago and what I told him, and he kind of was like, yeah, exactly back was it amplifies the worst in you and the best in you.

You're just the same person, right?

So like, I thought when I was going to get money, I was going to like, oh, I'm going to be healthier because I can like afford, you know, someone to yell at me about eating.

It's like, no, like now I can afford to go to terrible places all the time, right?

And, you know, I could afford that before, but like, I think it's one of those things where I'm a big believer, something I talk a lot about and I don't know if this is interesting, but like Teddy Roosevelt of all people wrote this speech called the strenuous life and is basically his concept.

And I think it's a better speech.

Everyone references man in their arena.

I think man in the arena is shit versus strenuous life.

He basically said in a modern parlance, like if you've been given something, like whether it's, you know, middle-class life, upper-class life, whatever it is, if you've had an exit, even though you worked for it, right, whatever, like your duty is to like go be strenuous again, right?

Your duty is to go crazy and like, you know, go deeper and make big swings, right?

And that's why I'm talking about like, I don't want to go into quilting because it's like, yeah, there's a money grab there.

I think it's great.

Like I want to like fix democracy.

I want to like have defense.

I want to fix debt.

Like I want to try and fix those types of things because I think like for every person doing that, like you obviously have tons of people are digging ditches who have no ability to like, you know, they're leading a strenuous life.

They have to.

So yeah, and I know that sounds like, I don't know, people judge that answer like in multiple different ways.

But like, yeah, I'm having fun, but I'm also like all in, right?

Like I'm trying to go.

And part of the reason we went to paddle is like, I didn't want to like hand over the keys because I wasn't done yet.

I want to see what a company going through a public offering like looks like.

Like I want to see that so that I can decide, do I like that?

Do I want to go big next?

Or do I want to do more like small shit?

So that's kind of what I'm thinking about, if that makes sense.

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When you were younger, were you kind of like highly competitive at anything?
Or like, you know, you between ages, I don't know, 12 to 18, did if you look back now, if you were like a researcher just getting to observe you behind the glass panel, would you have seen anything in the way you behaved that would lead you to think, oh, this guy is going to have like a really interesting career in life?

Or would you have looked like an, you know, an average teenager at that time?

Um, yeah.

So I had a not, I don't know how Sam would look at this.

I had like a Midwest childhood, let's say a bad Midwest childhood, which is like the things that happened to me like would clearly be abused today, but maybe back then like they were like, okay.

And so, um, so there was that.

And I think that like that makes me an incredibly insecure human being like I'm, I'm incredibly insecure about like most things, but what I kind of learned, and I don't know if there's just trial and error, but I had some good like mentors in life is like, instead of like taking that and go become, you know, a deadbeat, like channel it, right?

Like use that anxiety, like and channel it.

The one thing in the answer to your question, um, fun fact, I am a national champion debater.

Um, so I, uh, I did speech and forensics, um, in high school.

Should I make the joke, Sean?

Yeah.

Sean or do you want to?

Would you consider yourself a master?

12 year olds, 12 year olds.

I love it.

Yeah.

So I, I did.

By the way, this segment, I don't know if you heard this.

We did this segment on here.

I said, I've observed these three patterns.

People who are amazing at debate go on to do amazing in business.

People who are amazing gamers can go on to do amazing.

Um, I think poker was maybe my other one, but those three are like not, you wouldn't associate that with success in the business world, but they have like this.

I just keep seeing it over and over and over again.

Well, so you know what it is.

So I, I did, um, so I like, I was doing football and like wrestling and all that stuff.

I, I had to have foot surgeries for whatever, some reason.

And basically I was like, Oh, I can't, I can't do wrestling that season.

So I went and started doing what's called forensics when you're in high school.

And then I was like, Oh, you can get scholarships.

So I went to the school I went to on scholarship to do this and it was one of the best schools in the country for it.

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It's Bradley university, like lovely school, but like as the Northwestern kids would make fun of us in Illinois, like you get a public school education at a private school price basically unless you're on scholarship, that type of a thing.

And if you think about it, so what I was doing is at least in college for 40 hours a week, four years, I was synthesizing information and structuring arguments and getting to root cause.

Right.

Which are these things that we always talk about.

I never wanted to go into business.

I, my dad still thinks I should be a doctor.

I was going to go into law, law, but you know, more people were graduating, you know, in law school than actual legal jobs when I graduated.

So long story short, it was one of those things where it was like, you know, I can synthesize information really quickly, right?

And that's like, I talk a little faster and all this other stuff.

And so I think that's, that's helped me a lot because literally our marketing strategy in the early days was I just write blog posts and I can write them pretty quickly and they're relatively deep.

They're not all gems, but you know, it's one of those things that, that definitely helped me and I use it.

I probably use it every day.

You want to go to the last one, Sean?

This is the most interesting one.

You're doing, you're also doing a hostile takeover of a publicly traded person.

So I saw this as this guy, I don't know how you say it.

I've only heard about it.

Get the background.

K. Mikey M is his handle.

So there's this guy.

Yeah.

Yeah.

Tell the story.

What, who is this guy?

What did he do with him?

What the heck are you doing?

Okay.

So again, quickest path to learning.

That's, I think that's really important for like entrepreneurs, executives in general.

Like Merrill, like 13 years ago, 2008, something like that, he became the first publicly traded person.

So he sold shares in himself.

There's an interface.

The, the, the website is a little buggy sometimes, but there's an interface.

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He sold shares.

He gets the money, but then what he does is he gets to choose to put votes up and then the people who bought shares vote their shares and he doesn't do little stuff.

Like he does little stuff.

Like what color glasses should I get?

So a lot of the things we probably don't want to make decisions on ourselves, which is really interesting hack.

But he also, what he'll do is he goes and he'll put, should I move in with my girlfriend?

He puts that up for a vote.

The debate is fascinating because some of them are his friends and his family.

And then there's just Rando's and Connecticut being like, I've known Mike for like a long time through the project.

I don't think this makes sense.

He said this like three years ago, blah, blah, blah, blah, blah.

It's fascinating.

So I knew about this, girlfriend.

What's the URL again?

Say the spell it out.

K-M-I-K-E-Y-M.com.

And so I got a little money and I was like, I don't know what it's like to like do a takeover of a company, right?

And this is when Elon Musk was like doing his stuff with Twitter.

And so long story short, I was like, oh, this could be fascinating.

One because there's like, I don't know how people react when this stuff happens.

And so he put an auction up for additional shares.

And this is what he does every so often when he needs some cash, he'll actually put an auction up and people can buy, presumably if it's a Dutch auction under the share price, right?

And I did like...

By the way, do you get anything as a shareholder?

There's no dividends.

There's no like rev share.

Nothing like that.

Well, you can sell your shares.

People buy shares.

So like I put my shares up and get money, like actually get cash, right?

Dude, look at...

Sean, go to the website.

So he just says a thing.

So look, let me give you an example.

It's called the finger holders contract gig.

I guess finger holders, the name of the company.

Yeah.

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So the idea is, should I take a short-term gig contract coordinating the development of a community around the launch of an NFT project called finger holders?

Should he take a job?

Yeah.

And then it goes the whole background of like, why I'm interested in this?

Why do I want to do this?

What are the contract details?

How much are they going to pay me?

What's the proposal?

And then there's 300, I think there's like a crazy amount of comments that say like, pros working on a project sounds fun, cons, NFTs are divisive and it may alienate some of your shareholders.

And there's like incredibly thoughtful discussion on why he should or shouldn't.

Totally.

What?

So listen to this.

So I sneakily, I start buying shares and I start researching people who haven't been active because you can see the last time they like logged in and stuff because I want to start contacting them.

He launches this auction of about 2,000 shares and I know that most votes, there's only about 5,000 shares that are voting.

So I was like, cool, if I get 2,000 shares, which is like 10, 11% of the entire thing.

And then I did a sneaky way of doing the auction, which we can get into if it's interesting.

But anyways, so I get the shares and then I go speak at his shareholder meeting.

He has a shareholder meeting.

How much did you pay for the 2,000 shares?

It was like 13 grand.

So the market cap is only like, yeah, it's not it's, it's like 130,000 where everyone gets in.

Yeah.

So right now he's got, I think 16,000 shares or something that have been sold and the share price I haven't checked today, but there's a share price that goes up and down based on like purchases and stuff.

But he's worth it.

It's in the six figure range.

I think ballpark.

I think so.

Yeah.

Yeah.

Yeah.

So if you owned all the shares theoretically, that's the value, but then the other thing is the community makes it interesting.

So I go speak at the shareholder conference and I go, Hey, and it's on YouTube.

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And I say, listen, I'm doing a hostile takeover of Mike.
Here's why.
Like I think the project's undervalued.
You guys voted to like make him not go on social media.
Like that doesn't make sense.
Like in order to get more people, he has to like do this blah, blah, blah.
I think it.
And then all the questions are like, well, what about like?
Is this good for Mike?
Cause there's a lot of his friends, like his actual in person friends.
And I was like, listen, I think what's good for what's good for the share price is good for Mike and vice versa.
And I talk to it.
They're like, it's like a half hour interview I did.
And then everyone.
And then there's all these people, especially the people who don't know them who are like, I think Patrick, I think the takeover is good for the project.
I think it's this.
And you only do like 500 to a thousand more shares roughly to control the vote.
You thought.
Uh, no, no, no, I already, I already had.
I got 1,930 out of the auction.
Right.
Right.
But you said each vote has about 5,000 and you just need, you just need 51%.
But it's never, it's never one-sided.
It's never one-sided.
So like if, if it's 2,525, you already could swing whatever vote.
And what's funny is I'm texting him and I'm like, Hey man, just so you know, here are my intentions.
Like it's like a little, it's a little takeover, right?
That's cool.
That's, that's, that's, that's some insider trading though.
No.
Uh, no, I didn't, I didn't do anything.
It's like when Elon, Elon goes and talks to Parag and he's like, Hey, look, I'm doing this and here's what I want to do with Twitter.
And also there's kind of nothing you could do about it, but I'm going to inform you because that just seems like, you know, the, the standard, the right thing to do.
Yeah.
Yeah.
What does, uh, what is, what obligation does this guy have to follow what you say?
Like, wait a minute, what if he just says, eh, fuck off, I'm done with this project.

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And I mean, he could shut the project down.

I don't know.

Like, so first, before I started doing this, I started tweeting to him about.

What happens if there's a hostile takeover, Elon Musk seems interesting, right?

Cause I wanted to see like, is this like, it's, is this going to be a good investment?

Probably not.

But like I'm learning, I can't tell you how much I'm learning, right?

Because all of a sudden it's like, Oh, interesting, shareholder, they responded to this and these aren't like the investors that I want to be working with them the rest of my life, but it's really fascinating.

Um, he has never, to my knowledge in 13 years gone against what a vote has said.

But he could.

It's all in good faith.

He could.

I mean, there's no, yeah.

It's like, Oh my God, I can sue him or anything.

Also he, he gets to choose what he puts up for a vote.

So if he's like, uh, you know, I just want to move on with my girlfriend.

I don't have to put it up for a vote.

But there has been some talk of you get to burn some of your shares in order to put a vote up for a vote, which is fascinating.

It's, he's been covered by Wired, Atlantic, all kinds of stuff.

It's, it was in a lull and I'm injecting some excitement into it again.

And yeah, I'm looking at the price chart.

So it looks like it's, it started 2008, it opened at a dollar, 99 cents, it looks like.

And it basically was like between one and \$3, then it kind of peaked in 2013.

Maybe he got some press or something like that.

It was 13, 1350, something like that.

And then for the last six years, it's basically been flat at roughly four or five bucks.

For a takeover.

And now it's 685 right now.

And so, um, it was about five when I started the takeover.

This is far more interesting to be as small as it is, right?

I mean, to be as, to be as unknown of a project, it feels, it feels unknown to be as unknown of a project as it is.

It's been around this 2008.

It's pretty under covered, right?

Well, so in the beginning he got a lot, he was like on the today's show.

He was on all kinds of stuff.

And then he did, cause what was interesting is he's had some epics with it.

Like a project was, I think it was called the girlfriend project.

And it was literally about his relationship, his girlfriend by shares, his ex-girlfriend is still a shareholder.

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I'm pretty sure his current, I don't know if it's his wife or not is like a share, like, and that was the end of the shareholders meeting was his ex-girlfriend and his current girlfriend or wife having a conversation.

It was the most interesting like half hour I've ever seen in my life because they were just, and they're friendly.

I think there might be friends, but just them talking about Mike and it's kind of beautiful because you have all these people who like, are there just from a money perspective or just a fascination perspective in my case, or from a love perspective, like supporting this guy and like trying to make the right decisions for him.

So I think it's brilliant.

Like as soon as I announced this on Twitter, we got some inbound from like some, like, I don't think they're, they're documentarians or something like that.

Like, I don't know if it'll come with anything, but it's like, it's a fascinating story that I think deserves more, more, more give.

So I'm glad you asked about it cause you guys have a pretty medium audience.

So it's great.

There's, there's even like a what happens when I die, like unlike a company, I will die.

So what happens to my shares after I die, there's like, this is pretty crazy.

I mean, it kind of makes no sense in that like, yeah, it's completely nonsensical.

Yeah.

But bro, you bought a hundred and fifty thousand dollar image of a monkey.

So like, this is, you know, like, did you buy a punk, you got a, oh, you're a punk guy.

This is from ApeFest.

So this is my, nice.

Yeah.

It was a 50.

It was a coin flip to use the Milgram portfolio.

Either we buy up an Ape or a punk, and they were the same price on that day.

And we knew that the purchase was going to have to happen.

The board Ape was about to buy the punks.

And so it was like, what do we, which asset should we buy knowing this news is about to break or it has just broken or something.

And we flipped punk and then apes went through the roof and punk something flat or down.

Everything's down now too.

It's interesting.

Very interesting.

Dude, check this out.

So if you go to Mike's blog, so there's news.kmykem.com where he like, it's, it's ran like a shareholder company.

I mean, like a, like the investor relations page of a publicly traded company.

And he has the list of all of his principles and on health, it's those like as of October 23rd, 2019, I'm in favor of experimenting with psychedelics and you click psychedelics.

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And there's a like notes from a board meeting about like who voted and why they voted and what his reason and what the reasoning is and how they are or are not going to start doing psychedelics.

Then in 2016, I will not take a, a psyllium pills.

I don't know what that is.

And it's like talks about why he wanted to take them and everyone's voting and he has like a update on that.

And then like entertainment shareholders will have direct control over my television television watching.

I will.

And then 2019, I will watch Spider-Man subscriptions.

I will not subscribe to Spotify.

Uh, yeah, some of these are like stupid.

Like the glasses one, it says that 34 users voted with 1800 shares.

So 34 people participated in that vote for the glasses.

I guess that was not a very, uh, not a very big one.

Let's see this.

But I believe he's put, I haven't, I'm pretty sure he's put like who he's voting for like president up.

Like he's done stuff like that as well, which gets really fascinating.

Yeah.

But that's just as meaningless as the glasses thing.

That's true.

He is in, uh, I believe he's in Oregon.

So I'm not sure.

I mean, he's in a state that is, is going to vote one way or the other anyways.

Wow.

Yeah.

2020 I will endorse Bernie Sanders for president.

Okay.

Amazing.

Listen, man, this was, this was fun.

Uh, I'm glad you came on and, uh, thank you.

You brought some good stuff.

Sam, what'd you think?

Dude, can you send me, send me the, uh, the research thing.

That was the most fascinating thing.

That was really interesting.

I will, I'll send you some redacted.

I'll send you the structure and you can feel it.

Don't redact it.

No, no one will.

I won't share it with any of these losers.

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It'll just be for me.

Don't.

Let me think about it.

I met.

I have a boss.

I'm on a board.

I gotta be careful now.

So yeah.

Well, I'll send you something.

And paddle isn't public now, but it will be right?

Uh, I mean, we're, we're not going next year and a number of years probably before anything like that happens, but, um, great.

You know, there's no laws.

I'll hook you up.

I'll hook you up with something.

Don't worry.

Don't worry.

This was awesome.

I, I typically hate having not hate.

I, I say no to everyone that Sean brought you in.

We kind of hate having guests, but then we have many ways and we're not, we're not fully sure why we do it, but we do it.

In the moment, it seems like a good idea.

Halfway through the episode.

It's like, I kind of wish I was just bullshitting with Sam instead of doing this conversation.

But I'm always happy when we do it because I don't have to prepare, but, uh, one out of every four is awesome and I'll just hope that everybody thinks they're that one out of four.

You actually were that one out of four.

So good for you.

What makes a good guess versus not a good guess just for the audience to hear.

If they come to the pod, if they already know the vibe, if they know the, what's cool, that tends to work really well.

I think, what do you think, Sam?

I agree.

And most people, most people aren't like Sean and I and that they don't do this for a living.

And so they need to come prepared with the things and even us, we come with some, we do research, sometimes we do, sometimes we don't, but there's at least bullet point.

So it's like, all right, next.

And you did a good job of saying next.

A lot of people, um, if you, I don't know if you paid attention, but Sean, very purposely in the beginning, he was like, I don't really care about the company and your background.

Let's just move on to the other stuff.

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And uh, we actually, we, we, we tend to do that a lot.
And so that was cool.
Um, and so that's also the least interesting, except for Michael sailor.
That episode was like, that episode was money because he was just so weird.
Like it was just like, what's going to happen guys?
Like what's going to happen the next minute?
That was, that was an interesting one.
Did you hear when he out-alfled me, I was like, yeah, I like fast cars.
He goes, I don't like fast cars, but I have a really fast jet.
That's, well, no, the quote, the quote I tell everyone from that episode is, yeah, I don't really like things that you can't in normal use go at their max speed.
Like, and that's what he was referring with cars.
Like it was like boats and jets.
I'm allowed to, to go at max speed.
You know, cars, not really.
So I just thought, who even has that thought about like, am I utilizing this machine to its fullest velocity?
A guy who puts most of his balance sheet to Bitcoin, that's, that's who has that thought, which is great.
I love that those people exist.
Dude, Sean, I did you see my Instagram or Twitter or something I did, I, uh, this weekend I was in the Hamptons.
Uh, that's not a humble brag.
It was my in-laws house.
So I had nothing to do with it, but and that's a Midwest thing.
He just did a Midwest thing.
Just so you know, the very Midwest.
Oh, I have a, yeah, I have an equinox member, but like they're going to do my laundry.
So it's like worth, it was on sale.
Like I'm not a big time guy.
Not a big time guy.
Yeah.
It was my in-laws house and I went out there and I drove, we went to the beach for bonfire in the fourth and we drove by this area that was just packed.
It was like a, it's like a small one lane road and it was packed full of cars, but they were fancy cars.
And in front of me was a Bugatti and it was a special Bugatti and I looked it up.
It was like a \$5 million Bugatti and I was like, what the fuck is going on here?
And so I get to the parking lot to park my car and it was full of black limousines, but not limousines, like the escalates full of them.
And then in the corner, one of the limos had their trunk open and literally I'm not exaggerating. I have video of it.
A hundred limousine drivers were just hanging out, drinking Coke, eating chips.

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And I was like, what the fuck is going on here?

And they go, it's Michael Rubin's party.

Michael Rubin has a famous white party and I made a joke.

I was like, he only lets whites in, which they didn't kill with the drivers.

Yeah.

Yeah.

Yeah.

I was like, you know, like, oh, why totally?

Really?

That's weird.

Maybe I should go.

I don't know.

It was a bad joke.

And anyway, I go Rubin and they go, yeah, it's Rubin.

He's having this party.

It's famous.

He goes, I drove this one guy was like, yeah, we drove Drake.

And so that guy was like, yeah, Jay-Z's there.

And I was like, wait, really?

And I looked it up on Instagram and it was this crazy party.

And I was like, tell me everything.

He goes, you know, I drove this guy and he's broke.

One guy goes, I drove Tyrese.

Do you remember Tyrese from Fast and Furious?

Yeah.

Yeah.

He's like, I drove that guy and the driver goes, I'm richer than he is.

That guy's broke.

That a joke.

I got more money than that guy.

And I was like, wait, what really?

And he like kept dishing and he kept telling me all this and he goes, the guys who are really rich, they typically drive themselves because they got that Bugatti and they want to show it off.

But it was really fascinating.

I just hanging with these.

We hung with them for like half an hour, just asking them all rumors and gossip and they knew it all.

Dude, that's amazing.

After you sent me that video and then I went on Instagram and I saw like six NBA players were posting stories from the party.

So it was like James Harden's at the party and then whoever, you know, like these other guys were, you know, Joel M. Beads at the party and it's the all white party where

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everybody's like, it was just rappers and athletes, it seemed like, which is.

Exactly.

It was so cool.

He's got like this private beach area and then we were like a hundred yards down the beach and right next to the parking lot and it was just packed and wait, there's Bugatti because there's all these crazy cars.

It was pretty.

It was pretty well.

I just imagined you in the in the party with like, you know, that meme where it's the guy at the party yelling into the girl's ear and you're just like, it's a newsletter.

We send it daily.

It's a marketing automation company like technically I'm there, but like, you know, my first million million, yeah, no, no, no, with an M, you spotify the video access on there.

We mostly talk about 12 year old stuff, but it's pretty cool shot.

No, he's not here.

Sometimes he has long hair.

Sometimes he has short hair.

I don't know.

No, I'm not.

My in-laws live here.

That's.

My in-laws live here.

No, my dad in-laws jacked more than I am.

It's kind of uncomfortable sometimes that's fucked up.

That bit will not get old for a while.

That's awesome.

I guess we got in there, right?

Yeah.

Thanks for coming, dude.