

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.

There's a lot of online communities.

Anyone can start one.

You get a few hundred people together.

There are so few people who not only run in person events, but who do them well.

If you can do that, it is an incredible competitive advantage.

Sean's not here.

What are we going to talk about?

A few things.

Oh, let me tell you something.

Sorry.

I asked you a question that I interrupted you, but let me tell you something.

So I'm doing something cool in 10 days.

So on the pod and on Twitter, I talked about how I'm buying a piece of property and I'm turning it into like a thing, like a hotel Airbnb fitness thing.

I have this guy.

I'm not going to say who it is yet because I haven't asked his permission, but basically he bought like 5,000 acres in the South and a state in the South, let's say Georgia.

And he is turning it into an airline hotel or an airline neighborhood soon with hotels.

So basically they're putting an airstrip in the middle of this piece of property and then they're lining up houses along it.

So you could buy a house and then soon it's going to be a hotel and then they're going to have an airplane hangar there.

So for all airplane enthusiasts, you can keep your plane there and take off and land on this, you know, right outside your home.

So it's basically like having a house on a golf course, except instead of a golf course, it's an airplane runway and hangar.

But here's the kicker.

He asked me if I wanted to come check it out and I said, yeah, sure.

He goes, all right, meet me at the Teterboro airport in New, like outside of New York on you know, January 25th and we'll fly my jet down.

So I'm flying private down.

## [Transcript] My First Million / Saas Companies that Anyone Can Start with Rob Walling

I'm going to go up to New York just to fly back down.

But nice, isn't that in that stick?

So is this is it like super rural or is it kind of just outside of a major metropolitan area?

It's an hour and a half outside of a major area.

Got it.

So and most of these people, most of these houses, is this going to be these people's like full time residents, you think?

No, no, probably not.

It's a lot of like older people.

You don't have to be, you don't have to be like rich, rich to do this.

I think you have to like be able to afford a two hundred thousand dollar plane or something like that.

That could be your hobby.

So you have to have some money, but it's not like going to be necessarily like incredibly wealthy people.

Yeah.

So enough to afford like a Cessna or something like that.

Yeah.

Just fly in and it's just somewhere to fly and then you stay by your airport and just hang out and chill.

Yeah.

That's kind of neat, right?

Yeah.

It is kind of cool.

How much do you think he's in on this project?

I'll say it and then if he says I can't, but nearly eight figures is the money that he's had to use his own money to do that and then he'll raise some more money.

And then how many houses?

And he was like, he was like, oh, it's just like a side project.

And I was like, what?

That is huge.

That is.

How rich is your friend?

What does this represent for him?

I don't know.

I just met him like wealthy enough to be able to afford that, but not wealthy enough to like, I like if he loses that, it's not, it's like, we'll be really bad.

Do you own any like vacation homes or secondary homes or anything like that?

Oh, no, no, I own my house that I live in.

I own, and then I own some like rentals and like now a vacant lot that I'm building a house on to sell.

But nothing like this.

No, plain vacation home.

## [Transcript] My First Million / Saas Companies that Anyone Can Start with Rob Walling

No, no, I don't own, I don't, I think that vacation homes only make sense for me personally. Only makes sense to me if I buy them and rent them out.

And so if I can find a place in New York or California that I like and I could rent it out and make a profit, then I would do it.

So I met this guy the other day who was a billionaire or close to a billionaire and this person has an apartment, they don't live in New York, but they have an apartment there and it's really fancy.

And then they have a place in Park City and they rent it out when, when they're not there and it pays for itself and they're still like, it's like a wealthy person.

I think that's the way to go as you, but not everyone's comfortable doing that.

It's interesting to me because this idea that you're describing sounds like the inverse of what I would want.

Like I want to be able to fly places so that I could stay there.

Like I want to fly to New York so I can go to New York, but this is the opposite.

They're setting up somewhere to stay so that they can fly.

Well, it's not just that.

Just imagine you're like 65 years old and like you want to like spend the weekend at this area and you want to fly there and stay there and hang out and then go on trips throughout the day and just hang out with a bunch of other airplane nerds that are like you.

So it's like, if you're like 65 and this is your passion, I think, I think that people who are into this shit are so into it that they just want to be around other people who are into it.

Yeah.

I think there are a lot of opportunities like this as people, as more and more people, because it looks, sounds like this is mostly retirees, but I think you could also do it towards remote workers of just like people have lived places for no particular reason in the past.

And I think as people can now choose where they want to live, they're going to start congregating more in groups of like, I don't know, group around their hobbies or like vegans, how they want to eat.

I don't know.

Like random niches.

I agree.

I think that will happen too.

The day that New York allows short term rentals.

So in New York, you're not allowed to rent for under 30 days or you got to like jump through crazy hoops, but the day that that's allowed, I'll be buying a place there.

But not, not until that's allowed.

Oh, okay.

You want to talk about this Elizabeth Holmes, Holmes thing?

Yes, I do.

So you, you sent this to me.

You want to give the backstory?

Well, let's say what happened yesterday.

## [Transcript] My First Million / SaaS Companies that Anyone Can Start with Rob Walling

So yesterday, you send a post to me and Sean that you were on the front page of hacker news.

Yes.

Because they had, I meant, like what happened to Holmes yesterday?

Oh, so Elizabeth Holmes convicted of like three or four crimes.

I don't know if she's been sentenced yet, but she could serve.

She will serve years of hard time, potentially up to 20 years.

Yes.

Well, there's 20, there's three, three counts that were carry sentences up to 20 years and one that carries up to five.

So I don't know if those are additive or if it's only up to 20.

I don't know how that works.

But so yeah, and what happened yesterday, it actually happened on Sunday night.

I got a text from a friend who goes, Hey, you're on the front page of hacker news.

If you don't go to hacker news, it's basically like Reddit.

But like, if I said Reddit for nerds, you would be shocked because Reddit is for nerds.

But this is like really for nerds, like nerd nerds and it's all like computer nerds and of which I am one of them.

And I, I got a text saying that my article that I wrote in 2015 was on the front page of Reddit or on hacker news and it was getting, which means you'll get millions of visitors.

And the headline to my article was the coverage of Theranos is utter bullshit.

And I wrote this article defending Theranos, Theranos and defending Elizabeth Holmes.

And it did not age well.

That article, but let me explain what the article, do you have the article in front of you?

I wrote this and I, I just want to talk about my favorite like sub headline, which is you called it a minor PR hiccup.

Yeah.

So I call this a minor PR hiccup.

So I wrote this into, so I was like 24, I think, or 25 when I wrote this.

So whatever, you know, I've grown and I read my writing and I was like, Oh my God, I, I wasn't bad then, but I'm way better now and so I was a little embarrassed.

But the article basically was written after people accused Holmes of at first doing something wrong and they were hating on her.

But previously in the, in the previous month and the previous few years, she was on the cover of all these same magazines.

And the point of my article was on the, on the, on the surface, it looked like I was defending her and I was defending her.

But what I really was also doing, and I say this in an article is I was defending this idea that like it's, I think it's nonsense and crazy that we build these people up and say that they're like the next, you know, the next Steve Jobs or whatever it is.

And we like want small businesses to win and someone starts a business and we want them to win.

But then once they get really successful or potentially like they're considered like

## [Transcript] My First Million / Saas Companies that Anyone Can Start with Rob Walling

a winner, we turn on them and we just hate them just because they're doing something like that seems really weird and they talk funny or they look funny.

And I thought that's bullshit.

So I stand by that second half because now that's even the whole anti tech is even thing is even bigger.

But yeah, I was wrong.

I was so wrong about her.

Yeah.

It's just, you see so many cases of a lot of these hit pieces that are totally not fair to founders that like your guard was up enough that you didn't see that this was the time that they were actually right.

She fooled me, man.

She fooled me.

She fucked you in with her deep voice and those big eyes.

Dude, she got me.

I was so on board.

The reason here's why I was on board with it and the reason why I was on board with it is really I can't decide if it's a good reason or a bad reason and you tell me.

So their biggest backer was Tim Draper.

I don't know Tim, but I used to be friends with his son and his friends son Billy is an awesome dude.

And from what I've read about Tim, Tim seems amazing.

I know that he's like this high integrity, very honest person.

He seems like a great guy.

He don't party on drink and he's known for like being one of the first investors in SpaceX.

I believe first investor in Hotmail.

So a bunch of these like really amazing companies that help found the internet and create the internet and everything.

And he was super on board with Theranos for a long time.

And so I was thinking, well, there's no way that Tim Draper would do something or like would be tricked by this because he obviously didn't know, but he's like, there's no way that Tim would be tricked by this.

And that's why I was like on board.

Yeah.

And just to back you up, just reading from the article, it's expected that a young company that's attempting to change a massive and our cake industry will mess up.

It appears that Theranos made a bunch of mistakes and I'm not defending their actions.

I'm also not saying that the media shouldn't point out the truths about Theranos' mistakes.

You know, you just go on to say, talk about how the cycle kind of flipped on him.

So, yeah, I mean, it is true what you're saying, but it is still funny to have an article up with that headline.

And I didn't delete it on purpose.

So around three years ago, someone made fun of me for that article and I was like, I'm

not deleting that.

We'll keep it up.

It's all right.

I got it wrong.

If I'm going to, if I'm going to take swings, I got to let people see the misses too.

Yeah.

Absolutely.

All right.

Want to go to one more topic?

Yeah.

We got four minutes.

So.

All right.

So you tweeted out something that was pretty cool.

Yeah.

Okay.

So it was essentially, we started a new family tradition in my family this year, which is and it was just my wife and I doing it because we started, we're going to try and roll out to my siblings and my parents.

But didn't she make a presentation?

Yes.

So what it is, is that I decided, it was kind of my idea that at the end of the year, we're going to make presentations about how the past year went and essentially what our goals are for the coming year and our resolutions and that type of stuff.

And we're going to present it at like a family board meeting.

It could be a slide deck.

It could be like a memo, but it's essentially called the board meeting, family board is sitting there.

But it looks like she was present on your year.

It looks like she was presenting to a bunch of people.

Yeah.

It's just you.

I mean, it was, yeah, it's just me.

Oh my God.

Okay.

So, and I should say, we're not totally crazy.

Like we did it kind of funny.

All right.

I dressed up as Steve Jobs.

I put on the black.

I'm not criticizing you.

Gold glasses.

I'm not criticizing you.

I think it's cool.

I actually want to believe the wrong idea that we were like getting hardcore going over our numbers.

Like a lot of it was, was kind of funny, was played for chuckles, but it was a good opportunity to just reflect on what we've done and, uh, and what we hope to do this year and, and go over what was the, uh, is that effective?

Yeah.

I mean, some of the stuff.

So let me read some of this stuff, actually, um, means I do the same, I do the same thing.

So my wife actually collects the stats and your life is pretty alpha.

Right?

Yeah.

She graduated from, uh, a top law school in the country.

And then works for Georgetown, um, yeah, it's good.

It's good law school.

And then she works for a big law firm now.

So she took stats.

She like tracks all her mother stuff because we had a baby last November.

And so I couldn't believe some of the stuff.

So like gallons of milk that her body produced in 2021, 350 gross, isn't that crazy?

How does a body do that?

That is crazy.

I know.

That's that blew my mind.

Oh my God.

So much is so much is all yours.

You track how much milk your wife made.

Yeah.

She also kept track of how many nights she slept on the floor in our daughter's room cause like some nights she wouldn't sleep and so 104 nights, almost a third of the year.

Yeah.

She slept on the floor in Claire's room.

The number of hours she spent nursing her was 1800.

And then we tried 1800 in one year.

Yeah.

Wow.

Man, being a woman is so much harder.

I know that that did help me realize like, wow, that's just like, that's another job in addition to your job.

Like, holy moly.

That's crazy.

What else?

Any other stuff?

Yeah.

She counted the number of times my daughter was obsessed with this book, Monsters Come

Out Tonight, which is a Halloween book.

She read it 62 times.

Why does she do all this, your wife, just cause she wants to show your kids?

I don't know.

She's just compulsive actually.

I think that's great.

She's the type of person where in the morning she'll go, do you know what today is?

And I never know cause she always knows weird anniversaries in her head.

She's like, oh, it's, it's 10 months since this happened.

And I'm like, how do you know that, but she like compulsively tracks little numbers in her head.

So she apparently tracks them on her phone too.

Did your wife's rain man?

That's sick.

She's like, like a lactating rain man.

That's lovely.

Well, I might have to delete that.

I don't know.

I'll have to think hard before I decide whether to publish an episode in which we call her a lactating rain man.

That's cool.

So what do you mean as a compliment though, right?

You mean as a compliment?

Yeah.

Well, the rain man is the lactating thing is just fact.

The rain man thing is definitely a compliment.

Do you, is she care, is she earning more than you as you start your business?

Yes.

That's pretty sick.

Right?

It's nice.

I don't mind it.

Is she paying for everything?

No.

So she's actually still net negative cause she just graduated in whatever in the summer and didn't start school until October.

So I, my goal is for us to never have a year where she earns more than me, not for any like sexist reasons, I just, you know, it's a gold mine.

So I got to make more money than her this year.

But yeah.

And the last quarter of last year, she made more money than me.

So all right.

And that's actually like, I think there's a lot of guys who are self-conscious about that.



I feel the opposite.

I'm like, I want you, like I want to be the lazier of like, I want her to earn more and just maybe like not have to work.

I am self-conscious about it.

I, I do like, I'm happy for her to have a career, but like, it's not so much a like self-conscious about her making money, but it is like a little bit of like a step it up.

You got to get your business into a place where you're out earning me like, look what I'm out here doing, you know?

That's sick though.

It's pretty sick.

I think, you know how like there's articles that talk about like your best financial decision. My opinion is the best financial decision you can make.

Of course, this is a good decision for a lot of other reasons, but the best financial decision is marrying the right woman or picking the right spouse rather.

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 workday is the same length as always.

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

Thankfully, HubSpot's all-in-one CRM platform can serve as a single source of truth for managing your customer relationships across marketing, sales, service operations with multiple hubs and over a thousand integrations and an easy-to-use interface.

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Learn how HubSpot can help you grow your business at [HubSpot.com](https://www.hubspot.com).

We're just staying married, right?

Did you have your other millionaire next door where they're like?

No.

What did they say?

They look at all these factors that like most millionaires have, and this is not Silicon Valley millionaires.

They're constructioners and construction company owners, and they say like, here are all these factors like most have never purchased a suit for more than, I think it's like \$800. Most have never paid more than \$200 for a watch.

Most in the vast, vast majority of them never got divorced.

Don't get divorced then.

That's great.

Crazy.

And I think even if you get a pre-nup, I don't think that that like, it doesn't, does a pre-nup

## [Transcript] My First Million / SaaS Companies that Anyone Can Start with Rob Walling

only work for the earnings that you made before you got married?

Yes.

So then who cares in most cases?

Exactly.

So when I got married at 25, I was worth jack shit, right?

Yeah.

And it's like all the money that I've made in my life has been since I've been married 21 years.

So does a pre-nup cover, if you start a business and it's worth nothing and then you get married and 10 years later it's worth a lot, does that, is this, which one does that count as?

That I do not know.

What I do know is a friend of mine got married, got a pre-nup and he had crypto and he specified like this, my hundreds of Bitcoin are excluded and they've gone up in values and they're still excluded.

But I don't know if company shares act the same way.

I would guess they would, but you know, we'd have to get a lawyer on here.

Are you constrained?

Why are you recovering this?

It's like the worst sad topic.

No, here's why we're covering it because Ben quit his job to start a podcast, a popular podcast that's going pretty well and he works for us part-time as a producer and his wife is a very successful lawyer and I asked him, I said, you know, like a lot of men might be self-conscious about that, about your wife earning significantly more than you.

How does it make you feel?

And I was just curious.

Has your wife ever earned more than you, Rob?

That's a good question.

Well, your businesses are like family businesses, kind of right?

Yeah.

I mean, she runs her own thing.

Dude, I actually think, I mean, yeah, so when I left Drip two years ago, I sold a company and then I left it in 2018.

I didn't work for six months, but it's like, I was under anything.

But then even after that, like starting Tiny Seed, I didn't take a paycheck for a year and she was making several hundred grand at her business.

So yes, she has, but it's also like, yeah, but I sold a company.

I think I'm excused at this point, you know?

My wife became a millionaire, a liquid millionaire before I did.

That's awesome.

Because of...

By two months.

What was it?

Was it like stock or what?

She worked at Airbnb for a long time and then it went public in December and I sold my company

in February.

So she beat me by two months.

You didn't feel bad about that at all, did you?

Dude, I was pumped for her.

So I mean, the way that everything is ours.

So it was like, frankly, when she got paid, I was like, oh, I just got paid too.

I mean, I thought it was awesome.

We're live now, by the way, Rob.

Are you okay with that?

Absolutely, sir.

I'm always.

I was born ready, yeah.

So this is Rob Walling.

Rob, I was just on your pod like two weeks ago.

Did it go well?

Yeah.

I got a lot of positive feedback actually.

What was interesting is someone said, a couple of people said, you guys have real great rapport.

And I said, which is funny because we've never met.

It's not like we're best friends, but they said, you sounded like you were friends.

You're naturals, you know?

And I said, I think it's easy to have a podcaster on a show because they're just entertaining naturally.

And I've been reading your work for like 10 years.

And so, or I forget how long, but basically Ben, we, so this is Ben, Ben works with us.

He's filling in for Sean today.

I sent Rob like an email, like in 2000 and I forget he like pulled it up, but I sent like my first email to him like years ago saying how much I loved his content.

And then I was finally on his podcast like eight years later.

So it worked out.

Yeah.

Yeah.

And that helps, that familiarity certainly helps.

I know that people who listen to my podcast and then appear on it know what to expect and they're able to, to roll with it, which is why before coming on here, I, I've listened to your show on and off over the years, but like I listened to like the last four episodes just so I would have some familiarity.

What did you think?

I think they're great.

You get a great show here.

I think you should change the name of the show is what I think you should.

I think the name's off.

The name is horrible.

I know it's tough.

## [Transcript] My First Million / SaaS Companies that Anyone Can Start with Rob Walling

And man, I have, you know, my podcast is startups for the rest of us, which I still like, but it feels long now and I've debated whether to change it.

Have you guys actually considered it?

Cause I'm curious what would go, what would need to go into a name change?

The problem is, is we considered it like a year ago when we were smaller, but then we were like back then we were like, oh, we're too big back when we did that, we, we were at like three or 400,000 Unix a month listeners a month and we were like, oh, but we're too big.

It already is stuck.

Now we did in December, we crossed 2 million listens a month and we're like, now we're definitely like, we're definitely too big.

And Darmash, who is the founder of HubSpot, who now owns a podcast, he was like, you've got to change the name.

And I'm like, Darmash, it's way too late and he was like, no, it's not.

And so he thinks we should do it.

I think it's too late into the game.

Frankly, I think a bad name sometimes is a good, is a good thing, but the name is quite horrible.

I don't have the dares to tell my barber and stuff.

They're like, well, what's it about?

I'm like, I'm not sure, but not much, but it's not about making your first million.

That's for sure.

Yeah.

It's not get rich quick.

It's like a real business podcast.

And that's, that's the thing is, since you have subscribers, because what I've thought about is like, let's say we change the name of, you know, of startups or the rest of us, I think I just change it in the RSS feed, I change it with Apple and Spotify and then it just propagates.

I think people, I'd need new line, you know, line or art or whatever.

I think people be confused for a few weeks.

And I guess all the incoming links would say startups, the rest of us are my first million, but aside from that, I just don't know the backlash.

It's less of like changing the name of a company is really hard, right?

Because of the brand you've built, but changing them a podcast, I think is, I'd like to think it's simpler, but I've never done it.

Our friend Nathan started this company called ConvertKit, which is amazing and I'm an investor in and it was crushing and he changed the name to something.

I forget what he changed the name to.

It was SEVA, SEVA, which apparently, does that mean something offensive in Hindi?

It wasn't offensive, but it was, it, it, it has like a spiritual meaning.

And so the back, he had backlash, right?

And it was about cultural appropriation was the kind of phrase that was used.

Yeah.

## [Transcript] My First Million / SaaS Companies that Anyone Can Start with Rob Walling

It's like a, it's a word in a different language and people were like, you can't name your company that.

And I, he's not a, he's like, at the time, it was probably like a 50 person company.

They probably did some research, but they mostly like just probably read the definition in a dictionary and thought it sounded cool.

And then like a week later, they changed it back to ConvertKit, which I think is a great idea.

ConvertKit's a good name.

Yeah.

It's, that's, that's the other thing with the name change is, okay, so you're going to change my first million.

What are you going to change it to?

Cause naming is really hard, right?

It's very hard.

I know some people who are really good at it.

Most people are not, including myself, I struggle with naming.

I always go too literal.

We would hire, I would hire one of those like naming firms.

I actually think that I think a naming firm is actually a great idea.

Yeah.

At this level and at the, at the, the kind of reach that you have and the stakes and the race, I guess the resources you have, it would be a no-brainer.

Yeah.

There's someone really good.

I don't, I don't know.

Do you listen to tropical MBA podcast by chance?

Yeah.

I like those guys.

Yeah.

They had a really good kind of lower budget naming person, I say lower budget, let's say five grand, 10 grand versus, you know, you can pay a hundred grand or more.

She was super sharp.

It was such a good episode.

And she had like an e-book on how she does it.

And I was intrigued by that just because I, you look, you and I are going to be putting out new, whether we've renamed things or putting out new stuff for the rest of our lives.

So how do we get better at this?

Right?

That's something I want to do.

Dude, Mike.

Sorry, Ben.

Yeah.

What was your name, Ben?

You actually answered the question I was going to ask, which is how much is a naming

service?

But there you go.

But I mean, you know, I think like the thing about my first million, like you said, sometimes a bad name is a good name because the thing is it forces someone to react.

Like someone has to have an opinion about my first million.

They might not like it, but they're not going to just like forget about it.

They're going to be like, Oh, what's that?

But dude, my companies are called the hustle, horrible name, hustle con, horrible name.

Once I've had a conference on content and I called it con con, a meetup series called pizza in 40s, our subscription service called trends.

Like I'm not good at like I like I've done trends is good.

The hustle is pretty bad.

That's the best one.

The rest of it are tough because the hustle, hustle now has this negative or it has for several years.

This hustle culture, right?

It has a negative connotation.

So I guess if you're leaning into that, at least it gets attention, but it's a tough one to do.

So Bob, how do you describe your, your, who you are in a professional sense?

How do, because I was going to introduce you, but you're, you're, you're pretty eclectic that I don't even know how to, the proper way to do it.

Yeah.

I mean, bottom line man, I used to be a software developer and then I didn't want to work for other people.

So I started startups and first it was, I mean, in 2006, it was downloadable software.

There really wasn't SAS and then it became SAS, right?

That's what you do now if you're in software.

So I became a founder, serial entrepreneur, launched a few, acquired a few and along the way started blogging about it.

As you know, as you were saying, I wrote a couple, I've written three books about bootstrapping startups.

I bootstrapped everything.

I never raised funding.

I'm not anti-funding.

I'm not, I think funding has a time and a place, but I am anti the narrative that in order to start a startup, you have to raise funding because that is just not the case.

I think 1% of companies, 1% of tech companies need funding and the other 99% really shouldn't, shouldn't do it.

So around 2011 then started a podcast and then, no, that was 2010 and then 2011 started my events called MicroConf and then just a couple of years ago, launched an accelerator for SAS Bootstrappers.

So I wanted to go to MicroConf years ago.

I remember that and I didn't have enough money to go, so I'm going to have to go soon.

## [Transcript] My First Million / SaaS Companies that Anyone Can Start with Rob Walling

But how, what were the name of some of your software companies?

I know Drip and can you reveal like how big some of these grew too?

Yeah.

Well, I mean, Drip is tens of millions now, but I sold it in 20, what year was that, 2016.

Grew it to a few million bucks before I sold it.

You grew to \$3 million a year in revenue and then it now does tens of millions of dollars?

Oh yeah.

Absolutely.

I mean, this is email, email service providers are really any type of SAS.

If you double down on it, like, and you stick around for a long time, this stuff just, it compiles.

It goes up every month if you're doing it right.

Do you regret selling it?

You know, never, never a day have I woken up and thought, I really wish I was still working on that.

Like I learned, we were a team of 10 when we sold it and I learned what I needed to learn and it was enough money that I never had to work again.

And that had been a goal.

I was 41 maybe when I sold it and that was a lifelong goal.

To have enough money to not work again?

Yep.

How much money?

I knew I would work.

But what was your number?

Well, I don't want to tell you how much I sold it for, but you don't have to tell me what you sold it for, but like when you said my goal is to earn this much, what was the threshold of not having to work?

Oh, that's interesting.

You know, when I was 25, I just thought it was millions.

I never actually calculated it.

And then as I got into my 30s, I started saying, well, what's this 4% rule thing that you hear about in personal finance, right?

And I actually think the 4% rule is bullshit.

I think you need to be a little more cautious.

So it's about three, three and a half percent.

So then the rule is if you want \$150,000 a year to live on and you have \$5 million in the bank, then the idea is that if you do the 4% rule, you can take out \$200,000 a year and never touch the principal because stocks and bonds and other investments and inflation are working there.

So a 3% rule would give you about \$150,000.

So I'm not using my numbers, but you get the idea.

So it quickly became apparent to me that when I was in my 30s of like, I think somewhere, it's somewhere between five and 10 million, I think is most people's number depends on where you live, depends on how you live.



## [Transcript] My First Million / SaaS Companies that Anyone Can Start with Rob Walling

But I think anything north of 10 is like, it is excess.  
I'll say that I'm north of 10 and I, and I feel like my life didn't change.  
There was some point between five and 10 where it was like, yeah, that's enough.  
You know, I still like having the money and I do things with it, but definitely it's not like I would have had to work again, even with a major stock market downturn or something.  
That's pretty cool. 3 million with 10 employees is a pretty sick business when it's software.  
It was very efficient.  
We were also really, I mean, I was bootstrapped.  
I should have raised the seed round because it was way stressful and I was, I burned out pretty hard on it.  
And that was part of, there were several factors into selling for me and I'm curious if you, you know, have talked about why you sold as well.  
But for me, it was like number one, if I can never, if I can have enough money that I control my own destiny for the rest of my life, that was a big win.  
It was the only way I would sell.  
It was the only reason why I sold.  
Is it's like, take the cash off and now you can do anything.  
I mean, I started a damn startup accelerator, right?  
So we fund bootstraps, house founders.  
I'm not going to make money from that and that's a five to 10 year play to make real money, right?  
To actually get the carry back.  
I take a salary, but it's like a token, what I could be making somewhere else.  
And so I can now do play long ball with it because I'm not thinking, oh, how am I going to, you know, how am I going to do my big score?  
I never wanted to be worth.  
And if my goal was never, I need a hundred million or I need a billion, it would be, I'd be fine with that, but that's not, that wasn't the goal.  
It was to have that freedom.  
I sold to have that.  
But I wish the thing about my company is that I loved it.  
I mean, I still, I'm still here and I love it.  
Like I hate it.  
And I hated, like there was days where I'm like, this sucks.  
I hate media.  
I hate dealing with people.  
Of course, I had like those normal things.  
But like the thing is, is that like I started my company because I was just blogging for fun when it didn't make money and I didn't actually think it was going to make money.  
And now that I have something, I still do this because I've just been a compulsive and I love it.  
And so I still, I love my company.  
I just wish, I wish I was the wealthy that I didn't have to sell it.  
Do you know what I mean?



And so because now I know I'm going to have to go and start it again one day.  
You're going to have to start something and that one, you won't have to sell, right?  
You'll be in a position where you can decide to do it or not and you can make bigger bets because if it goes to zero, it's not like you're sitting where I was in 2015 where it's like I am literally worth millions and millions of dollars on paper and I have actual liquid net worth about 400 grand in retirement savings between my wife and I.  
And I have about \$50,000 in the bank and our house, which had no equity because it was, you know, it had gone down or whatever.  
So that was it.  
So I was like, I felt way overexposed to something tragic happening.  
When you are doing \$3 million in recurring revenue, I'm not sure how you do like if people pay up front or whatnot, but like I've seen convert kids numbers that like all the public stuff that they reveal.  
And they didn't have a significant amount of cash in the bank.  
Was your was your thing the same way where absolutely it is because like you think ten employees making ten make it \$3 million like, oh, you should have like plenty of money.  
But what was the truth?  
The truth is that growth choose just destroys cash.  
Like no matter how much cash we made, I was spending on AWS bills.  
I was spending it with SendGrid.  
I would hire another contractor.  
I would hire another employee.  
The moment we grew by 10 grand in a month, let's say of a month of recurring and I'm like, great.  
Now I can hire another engineer because oh my God, we are understaffed.  
So at 10 people, we were way understaffed and yeah, I'm trying to think and that's where like my decision at that point was I'm either going to raise an angel round like a seed round or we should sell it and that was that was the decision of do we double down on this business for another two to four years or am I ready to, you know, make make that choice of letting it go.  
And so that was I was a drip user who owns it.  
Well, it's interesting.  
So lead pages bought it.  
Lead pages had raised 38 million in venture and they it's actually a parent company right called the Avenue 81 Incorporated that owned lead pages and then acquired drip.  
So there's two products under one umbrella.  
Well, pretty soon within the Avenue 81, you know, CEO realized the opportunity here is drip.  
Like drip is a multi-billion dollar opportunity whereas landing pages are, you know, the whole market at the time was 80 million, maybe 100 million.  
And that's that sounds like a lot to us, but they're venture backed.  
So they need to get to billions in valuation.  
So they actually sold off lead pages and the company is now drip.  
So drip owns drip now.

You know what I mean?

It was a turnaround.

I don't know if you, I don't know if you ever heard that this happened with Best Buy where they acquired Geek Squad.

And now like Best Buy would not exist without Geek Squad because that was like all their net profit through the, you know, last 15 years.

That essentially happened with drip.

They just refocused the whole team that had 170 employees and I got to start handpicking people from the lead pages team and pulling them over to help grow the team.

So when I left, there were a hundred and something people working on drip.

Do you feel like, see, remember, like when you're a kid and you used to date someone and then you see her with another guy and you like feel just like that, that jealous, you feel like anger, but jealousy and you're sad.

Do you, do you still have that, do you have that emotion when you see drip?

I don't and, but, but I will say that there have been some things that have happened that have, that I haven't been happy with.

So they like raised prices and they didn't do it very well right after I left like a few months after.

And I was like, you guys are better than like, I would have done that so differently.

And if I was in the room, I would have said, don't do, they just did it really fast.

They didn't grandfather.

You know, they just made kind of all the 101 mistakes and that sucked.

And I, and then there was a huge backlash against drip, which is part of my legacy.

Like drip drip is, you know, it's like the hustle will always, you will always be the founder of the hustle, right?

And I will always be the co-founder of drip.

They've messed with the UI, they've reshaped it and stuff.

So when I go in there, I'm a little bit like, I liked it the old way, but, but I don't feel it's not the ex-girlfriend thing.

It's more of a, I did have to let it go, you know, and just, and just let it go.

I still use it.

I mean, I'm in it every day.

It's such a good tool.

That's a good sign.

And then microconf.

Was that a big business?

Cause when I started hustlecon, I like researched you guys to steal ideas, but like also like to make sure it's a good business.

And I was like, well, Rob's pretty savvy and he's doing it.

So like, yeah, I could probably make a profit off this.

Yeah.

Yeah.

It was definitely, you know, it was a side project, like a hobby all this time, right?

Until about two years ago where when I left drip, I had this big decision of like, I have

## [Transcript] My First Million / Saas Companies that Anyone Can Start with Rob Walling

this podcast at the time I had a co-host with the podcast, I'm solo now had microconf.

Do I sell all of that?

I literally thought of just leaving the whole entrepreneur, like blogging, podcasting thing and going in like, I was going to acquire a tabletop gaming, the second biggest tabletop gaming website.

Right.

What's a tabletop?

Yeah.

You know, like settlers of Katon or like Dungeons and Dragons.

So it's like not like a board game is monopoly, right?

But then there's like the levels above that of complexity and stuff.

Which are booming right now.

Huge.

Well, COVID helped, but also they're just, they're super popular.

And so I was like, that's a hobby of mine.

And I was like, I really want to do it.

And then I started talking to the owner of the site, who's great, great dude.

And I'm like, what are your numbers?

And he started giving me the numbers and I was like, this makes no money.

This may, and he's like, yeah, dude, tabletop games make no money.

Like that, you know, there's the few, there's the Katon and there's D&D.

There's like 10 or 20, everything else kind of is, I mean, I'm over-generalizing here because certainly there's other, but it's not like startup.

Like we are so spoiled with startups where we don't manufacture physical things and, and you don't have returns and you don't have access to inventory and you don't have a warehousing and all that stuff and the profit margins are thin and et cetera, et cetera.

So that's when I doubled down on all of that.

And so yes, your initial question was, is micro company good business?

Yes.

Will we sell, let's see.

We'll sell seven feet, like low seven figures, like a million, million and a half dollars,

I think in top line this year, maybe somewhere in that range.

I need to look at the budget.

You can tell that I have someone running it because I should know that.

I would know that number if I was actually like, anyway,

Will you be able to, and could, if you do 1.5, I would, I would hope that you probably do like the three or 400 in profit.

I think so.

Although here's what we do see.

We are not running it as a profit machine.

We are running it almost, it's become like a service to the community.

And so we run a bunch of the events at break even or loss, like our local events are where we go to San Jose or Atlanta or Austin, Texas, we do a one day event.

Those tend to break even or lose money and we're doing it to try to just expand.

## [Transcript] My First Million / SaaS Companies that Anyone Can Start with Rob Walling

Like the mission is to increase the number of independent startups in the world, right?  
That's what we want to do.

Bootstrap startups used to be the term, but it's like, it's not solely bootstrap.

Some people raise small amounts of money and to do that, we got to get the word out.  
And so we run it at a, you know, 10 to 20% profit net profit margin and we could make more money.

We used to make more money five years ago or whatever, but there's just no need to at this point.

That's a pretty sick side, like a good hobby.

It was good.

It wasn't, when I still had drip, we weren't doing a million because we were, you know, we're going to do 15 events this year.

When we were, when I was running drip, we were doing three, but they were big.

They were big events.

We would have, trying to think of what our top line revenue was even as half, you know, let's say half a million, 600 grand across three events.

So it was good, but it's a brand, right, man.

It's like the first year we, in 2011, we went to sell tickets and we were like, we're going to sell 200 tickets at \$800 a piece or \$500 a piece.

And we sold like 70.

Yeah.

It's a slog.

Terrible.

And the second year was better.

Everyone's like, you're going to make money off sponsors.

And yes, you will.

It's going to take you two or three years though.

That's the thing.

And, and what I didn't realize with events was they buy like a year in advance.

So like our first sponsorships were like two K a piece.

Then we started getting the 50 K and 100 K, but they booked a year in advance.

And I was like, wait, what?

So like it's a, it's a crazy business.

Yeah.

I personally would, I kept saying to my co-founder with that and then our event producer and I kept saying, I don't want to be in the events business, right?

We had one event and then we expanded it to two because we wanted to do one in Europe.

And then we expanded it to three because we wanted an earlier stage event.

And I kept saying, I don't want to be in the events business.

And they kept telling me, that's the business.

This is an events business.

You've started one, you know, but I did it more as a community.

I want to, I always thought of it as a community because that's like microconf has an online community and YouTube channel and all that stuff.

Ben, you're about to say something.

No, no, I was just laughing.

Yeah.

I was just laughing.

Who, who starts a business, an event business and doesn't know it's an event business, but dude, that was the same way.

I started, when I started, I was like, this is, this is stupid.

This is just a means to an end.

We're getting out of this immediately.

And then it's kind of like when you see all your friends starting software companies, you're like, dude, events are embarrassing.

Why would I want this?

Like this is stupid.

It doesn't, it's too hard.

But then once you get a little more confident in yourself and you're like, well, if I accept it for like, for what it is, it's actually pretty neat.

Yeah.

There's nothing like it, like in this, even let's say pre COVID from 2011 until, until this year over the last 10, 11 years, there's a lot of online communities.

Anyone can start one.

You get a few hundred people together.

There are so few people who not only run in person events, but who do them well.

And if you can do that, it is an incredible competitive advantage.

And not even that we have that much competition, but it is, it's not just like, I'm going to run a business and make money.

It's like the community of micro comp is so tightly knit and it's because we meet in person.

You know what I mean?

You just, you have, and you, you've experienced this where you go to an event, you meet someone in person and we, the retention rate was 60 or 70%.

So you come back to the next year and everybody kind of knows each other and then you get new blood.

And you know, so there was, it built a way better community than if we did not have in person events.

So because of your job, it says your career, you see a lot of like crazy software companies, some of which maybe aren't necessarily huge, but they are, could be surprising because you're like, I cannot believe someone's making this work.

And you probably are able to spot lots of opportunities.

We asked you if you knew of, we asked you ahead of time.

And I'm curious if you were to think of any, any software companies where you see and you're shocked that this is like a problem that needed to be solved.

Yeah.

I see a bunch.

So I have some, I have some both ideas that I haven't seen implemented that maybe we can dig into later.

## [Transcript] My First Million / SaaS Companies that Anyone Can Start with Rob Walling

We'll do both of those.

Yep.

But there, so I'll, I'll talk about a couple.

So tiny seed is the startup accelerator I run.

And so as a result, you know, we've had across what four batches set, right?

Four batches, we've had two or 3000 applicants.

So I've seen a lot of SaaS companies come through and what I've, I've been surprised by a ton of them.

Let me just look at one right here.

So CRM or kind of customer interactions applied to any niche and the smallest niche you can imagine.

So like home improvement contractors, the founder of builder prime is the, is SaaS.

We funded it with tiny seed and he had a home improvement project and he said the experience dealing with the contractor, the contractor was fine, but the communication was like text and then email.

And it was anytime there's a bunch of texts and email that can be a product.

What was the name?

Build a what?

Builder prime.

Builder prime.

Okay.

Builder prime.

Yep.

And so it's in essence, I think he might call it CRM for, yeah, he calls it best CRM.

But really it's not only the sales process, but then it's the communication during a home improvement project.

And so like shouldn't you, I would say, well, shouldn't, couldn't you use base camp?

Isn't like project management or could I use Microsoft project like online, right?

Cause you could, but it's like, no, this is that strongly typed version of that.

That is completely built for their needs.

How's this going?

It's going really well.

I can't disclose revenue, but I'll say anyone in time, who's in batch two, any of those companies are going to be, you know, mid six figures into seven figures, right?

The founder of HubSpot, Brian Halligan came on the pod and he told us that when they, I, I'm going to paraphrase the story, I might get a little bit wrong.

He said that when they first started HubSpot, they were like at a fork in the road and not sure which way they were going to go.

And for a minute, I think they even created it and even had some sales, but they were like, well, let's like HubSpot as a CRM, but then let's create like a law spot.

So it's like a HubSpot just for lawyers.

So instead of like making it one for everyone, we're going to make an individual one for different industries.

And so let's create law spot and just get lawyers to use it.

## [Transcript] My First Million / SaaS Companies that Anyone Can Start with Rob Walling

And that's kind of basically what this company, Builder Prime is, because you would say like, why can't you just use HubSpot?

Why can't you just use Assant, whatever you wanted, whatever it is?

I understand.

So all right, this is a cool company, but how big is the team on this?

What Ben?

Well, my other question is, like, do you have any companies, Rob, that you work with that are building apps on top of Salesforce or HubSpot that are like building in those ecosystems? Or do you think they should always go the direction of Builder Prime and just build their entire own ecosystem?

We have one who is built on Heroku.

We have one who's kind of built, he has a WordPress plug and kind of built on WordPress.

They're actually doing really well.

It's Castos.

It's podcast hosting.

They're into seven figures.

But there's no, you know, so the thing is, is with building on HubSpot or Salesforce, there's this platform risk, right?

Because I had an angel investment that was doing really well, was built on Shopify, was a Shopify app, and they started killing it.

And then Shopify came and knocking and said, you got to start paying us big chunkier revenue or we shut you down.

I mean, really, you know, I would say it's shady shit, but it is what it is.

It's platform risk, right?

So that's where we have to be aware.

Like if you go to sell a SaaS company and you're solely built on top of a platform, you sell for a lower multiple than if you were on your own.

So as a result, what we say when folks come in and apply and say, hey, I'm only on Heroku or if we see Shopify apps come through, we had to have seen Salesforce apps come through.

I don't remember apps about one to be honest.

But what we say is, cool, it's not a non-starter, but how are you thinking about this?

Are you building for, what other platforms are you building for?

How do you escape that?

Because by the, you know, when you're 500 grand a year, no one cares.

When you're 5 million a year on a platform, they notice and that there's a danger there.

That's pretty cool.

That's interesting.

I mean, I knew that was true, but I didn't know that Shopify could change the prices that they charge.

I mean, I've seen it happen firsthand.

Yeah.

What else?

Go ahead.

Yeah, there's another one.



This one's interesting.

It's called scraping bee.

And the cool part about them is they are public with their revenue.

So I can actually at least give you an idea.

So they crossed a million dollars in annual recurring just two, three months ago.

And if you look at what it is, is it's, they allow you if you want to scrape the web, right?

If it's like, well, I want to get all, you know, the products off of this particular e-commerce site.

You can go in and it's not a gooey.

Like you need to write a little bit of code, but then they have all the servers that allow you to get around being blocked by APIs or whatever.

And when you think about this idea, it's, it's like, well, that sounds like a nice little 5, 10 K a month idea, right?

They're doing north of a, you know, probably a hundred, a hundred grand a month right now.

I haven't looked at their revenue recently, but like,

It says they only have two employees.

Yeah.

It's two employees.

It's the two founders.

What?

They're doing it.

It's crazy.

They're doing it too higher actually, because here's the problem.

Let's say they wanted to sell.

I'm not saying they do, but if they wanted to, that's a problem.

Like they would, they would be worth more if they, or a team of five or 10, then if they're only two, because they're making a bunch of profit, but it's, there's risk there, right?

Do they have, is this like, uh, one of those, uh, public revenue things on like the bear metrics or whatever?

You know, I think they just disclose it on Twitter.

Wow.

Yeah, and it's like every couple of months he'll say, when they hit a milestone, he'll be like, we hit this and, um, the co-founder, I mean, co-founders Pierre and Kevin are really cool and transparent and they talk a lot about, I mean, it's content and SEO and they have grown a crazy fast.

I believe, and my memory serves me correctly, that when they joined Tinyseed, they were at 4k a month and this was two years ago tops, 18 months, two years, I, you know, so it's like to go from 4k to ostensibly, what, 90k, 100k, they're in that range a month in it.

These guys should raise money, maybe.

Yeah, they should, they could if they wanted to, it's up to them, right?

But the valuations right now for a company that's growing quick that has a million revenue is like 50 to a hundred million dollars.

Yeah, it's nuts.

I know.



## [Transcript] My First Million / SaaS Companies that Anyone Can Start with Rob Walling

So like if you could raise five million dollars and just do five, I mean, that's kind of, that'd be, that'd be easy to justify.

Right.

But it depends on the founder, right?

It's like, that's one of the things that a lot of bootstrappers, they don't want to get on that.

Once you raise that money, now you're on the venture track, right?

And it's like, I got a raise a raise two months.

There's money from you.

I'm supposed to hire.

Yeah, but we're different.

Tinyseeds for bootstrappers.

And so with Tinyseed, folks can run their business and take profits out.

We actually fund LLCs and they can take profits out if they want.

So how do you get paid?

We get paid if they take profits out because we, we, you know, buy a percentage of their equity.

So basically if they take dividends out, we, you know, serve prorata in those, or if they were to sell the company, again, we own stock.

So our units and LLCs.

So we get that percentage when they sell.

But is that actually going to be profitable for you, you think?

More so than trying to get, trying to do the traditional model where you throw shit at the wall and 10% maybe works.

Right.

Well, we, we are still in the traditional model of we've funded six, 59, 60 companies to date, and we will fund another hundred and we have enough money right now to fund another hundred and 20, hundred and 50 in the next three years.

So we are still in that model of making a lot of bets.

What we're, what we see is that our bets, like, I don't think we will have a billion dollar outcome.

I just don't see that being reasonable.

I think we'll have a lot of 10 to 50, 10 to a hundred million dollar outcomes.

And the number, we've run a bunch of models.

And in fact, if you go to [tinyc.com/slash/thesis](http://tinyc.com/slash/thesis), you will see my co-founder is a data, was a data scientist, PhD, computer science.

And we ran a bunch of back testing on anonymous SAS data.

I think it was several thousand companies and looked at our, our funding approach versus you know, what it would return and it will return venture like returns with, I believe, lower downside risk because we invested, we invested the early stage at low valuations in essence.

Yeah.

What else is interesting to you?

Yeah.

## [Transcript] My First Million / SaaS Companies that Anyone Can Start with Rob Walling

You want another, another company?

No.

Tell me what ideas that you think there's opportunities in.

Oh, yes.

All right.

So here's, so I always, when I start with ideas, I'm, I'm such a B2B SAS founder, right?

So I start with the problem, right?

And so first, anytime I see someone doing something in Excel or, or a Google sheet,

I think to myself that could, that's an idea, right?

If you take it, or if there's a bunch of email, you know, or text back and forth, those are, because it's communication or it's just storage.

There's a couple of things that I'm pretty fascinated by.

So one is podcast apps are doing quite well.

Like we're in Riverside now, we've funded, I'm invested in Squadcast, which is a competitor of Riverside.

Yeah.

Both of them are using Riverside now.

We use Squadcast.

We use Zencaster.

Zencaster.

I was with them before.

Yeah.

With Squadcast.

And then of course podcast hosting, right?

There's Castos and Lib, Libsen and others.

And we use that, I think.

Even podcast editing.

We use, I use Audacity and then my editor uses Adobe, something or other.

But like Alatu, LITU is podcast editing in the browser.

So like the stacks starting to get there, we have disparate tools to do things.

But when HubSpot launched, so I know Darmash, right?

Darmash and I were bloggers and speakers.

We met at BOS in 2008 or something.

So I remember when HubSpot launched.

And I remember thinking, but all of these things exist.

Like in the early days, HubSpot was like, it was like a blog, I think, plus a marketing website, plus Google Analytics, plus, I don't remember what, something else.

Like an email capture form or something.

Something like that.

It was very simple.

But I remember saying Darmash, but I could build that, you know, with MailChimp, plus WordPress.

And he's like, yeah, but business owners don't want to do that.

They want to bundle.

## [Transcript] My First Million / SaaS Companies that Anyone Can Start with Rob Walling

And he was right.

I think, and he was right, I said, they're public and you guys are an amazing company.

I think of the same thing with podcast production, where I, right now, I mean, I've been running a podcast for 11 years and I have, you know, people helping with it.

And I literally am in Notion, dragging this thing over here and then sending an, that sends an email to my producer to do something that we then log into Castos to upload.

You know what I mean?

It's like, where's the HubSpot for that?

Where's the bundling of the podcast?

I have a strong opinion.

I have two strong opinions.

The first is I'm almost certain, no, I'm partially certain that for the most part, podcasting software and podcasting tools is a horrible business because a few reasons, very few podcasts are successful and most all of them are broke.

Here's, but here's the counterpoint to this because I am an investor.

So I see the numbers, all right?

Podcasts doing several million a year in revenue and they're not doing it on the fly fishing podcast.

Think of the three avatars for a podcast.

There is the hobbyist, my Dungeons and Dragons podcast, my fly fishing, and they're going to, they're broke and they're going to pay nine bucks a month, right?

And they're going to churn like crazy because they're going to start.

It's too much work.

All right.

Then there's the next tier up, which is start up for the rest of us.

I'd say my first million is in that where it's like a single show.

But if I go to pay \$100 a month for squad cast, Riverside, \$100 a month for coasting, it's not a big deal to me, right?

And I don't think it is to you.

So it's not \$9, but for you, it's like a hundred.

I think if I were to say, oh, my first million should pay \$500 a month for each of these, you start to feel like, I'm not sure that's worth it, but there's a number there, okay?

So there's it.

And we don't churn.

I mean, I've been doing it for 12 years.

You guys have been doing it for several.

It's like the, the, the SMB of podcast.

Yes.

It's the SMB that actually sticks around.

There's hobbyists.

There's SMB.

They level up.

So there's by heart radio, there's ESPN's podcast.

There's the Kevin Smith podcasts, SMOD cast, right?

## [Transcript] My First Million / SaaS Companies that Anyone Can Start with Rob Walling

There is Kara Swisher has a whole network, Gimlet media, NPR, like once they, especially once they went remote, that's the enterprise.

But how many of those are there?

Because for example, like Vox, I think Vox was trying to sell their CM, like it's all media companies are like, oh, we built this proprietary technology to like get our articles shared better and like things like that.

And like, cool, I would love that technology, but they want to go out like Washington Post is doing this.

They want to go out and sell their software.

And I'm like, how many fucking media companies could pay a hundred grand a year for software?

Most media companies are broke.

And so that's my same thing to podcasts is, but all right, I agree.

Those exist.

I want to be, I need to be convinced that there's like enough of them.

Ben was going to say something.

We should let him talk.

I was blown away, so we got a pitch from one of these recording companies, one of the ones that Rob mentioned.

I won't say which, but I assumed that the pro tier that Rob was talking about would be like 10X, what a normal plan was.

And it was like 100X.

It was like, it was like plus a month for a month, a month, a month for some of these pro features, yeah, and the squad, so I was blown away.

I could not believe it.

I was blown away.

But anyways, you know, it's worth it for, for a lot of people.

So anyway, you say what kind of company you don't need that many customers, I think is maybe the point that Rob's trying to get to really do get crazy amounts of features with dollars a month.

I mean, they're cool.

They are cool features.

They're cool features.

Wow.

That is crazy.

That does sound high.

A little bit.

That's crazy.

But that's where you don't need that.

You don't need that many.

Okay.

So podcasting is, you're saying it's a good business because there's actually enough customers to, to make it work, right?

Yeah.

Yeah.

## [Transcript] My First Million / SaaS Companies that Anyone Can Start with Rob Walling

And podcasting has this other thing that is, I think undervalued or just not talked about enough.

It's this concept of a dual funnel or a split funnel where you have, you know, who else has this is electronic signature, e-signature has this where you have this super wide funnel. There's either free users or very inexpensive users on the low end.

And so a lot of people use it.

Thus, you build a brand and you just have 5,000, 10,000 customers, whatever.

Some of them just users, some are customers.

You also, if you have any type of viral loop, that's amazing, right?

You send the link to Squadcaster Riverside.

You send a link to get a document signed.

Oh, a little bit of virality.

But then on the top end with e-signature, similarly, you have realty mortgage brokers who I need 8,000 documents a month signed and suddenly that's a 10, 20, 30 grand a month. That dual funnel is incredible because when you, if you're just enterprise, then you're enterprise, right?

And it's like Oracle in the old days, it's like, all right, so we need to close 500 deals this whole year, but each deal is a million or two million bucks, right?

I mean, that's, it's like these massive deals.

And it's just this grind of enterprise sales.

But when you have the low end funnel and the high end funnel, it feeds on itself and it helps you have a more stable business.

The companies that are able to charge six figures a year in software, do you think that a lot of times their software is actually better than the \$5 a month tools that are in the same category, but for different people?

Like is it, is it, you know, if it's \$5 a month versus \$500,000 a year, is it actually a thousand times better?

No, it's not.

And I would, it's not \$5 a month, I would say, or whatever, a more accurate one is like, you know, is if I'm paying 250, 250 a month versus 25,000 a month, let's say that's, it's a hundred X difference.

Those are probably relatively similar.

And in fact, a lot of the pricing advice we give to our founders, or I give on the podcast as well, is the moments someone approaches you, a potential customer and says, cool, we like your software, we need to redline your terms of service, or we need to invoice with POs, or we need single sign on, or we need a sales force integration, or we need, there's this whole list of things that instantly should trigger, you should pay about a hundred times more that your price should go up because the sheer headache of dealing with procurement and going through that process and the maintenance and all the, you know, the interaction, it's not that the software is better, it's that the, the time and the headache and the pain of making that sale and maintaining that customer is that's where it's at, right?

That's where the money's spent.

But is it that hard to like, do the single sign on or like, isn't there, is there not like an 80-20 thing that you can do where it's like, it works for most high-end customers?

## [Transcript] My First Million / SaaS Companies that Anyone Can Start with Rob Walling

Well there's two things, right?

It's are we pricing on value?

Because I price on value, right?

There's price, you can price on cost, you can price on value, what's a third?

I forget what the other one is, anyways, but certainly I'm not pricing my SaaS on cost because I would have no margin, right?

So I'm going to try to price based on the value and I could build single sign on it.

It's like, hey, let's let everyone have it.

But it's a trigger that that company has the ability to pay and frankly are going to get a lot more value out of it than a one-person team using it.

Right.

You know, it's like Gimlet Media versus Rob Walling comes to, you know, sign up for your podcast recording.

It's like Gimlet Media should pay a lot more than me, not because they, they need that many more features, but they just should their whole business is built on it and they're making millions of dollars, you know, any other ideas that interest you at the moment?

Oh, yeah.

So I got to be honest, man.

I mean, this is not even a SaaS idea.

I'm just going to throw it out.

You know, do you know the website [examin.com](https://www.examin.com)?

My favorite website out there.

Yep.

I would put it in top 10.

I'm a paying.

I'm a paying member.

There's a new one that I'm looking at called consumer.

It's like [examin.com](https://www.examin.com), but for brands, for vitamin brands.

Okay.

Yeah.

I love it.

Examin is nutrition information you can trust.

So I interviewed the founder on my.

I love Sol.

Sol.

He's great.

I interviewed him on the podcast.

Sherry, my wife's been friends with him for several years since I met at an event.

So I had him on the show and I was fascinated by it because I'm like, it's nutrition information you can trust, right?

And, and you know that, but I'm saying it for the audience.

Where is the [examin.com](https://www.examin.com) for crypto and NFT, like for web three stuff?

Because I feel like there's so much crazy info out there.

Agreed.

## [Transcript] My First Million / SaaS Companies that Anyone Can Start with Rob Walling

There's opinions and religious, you know, not truly religious, but like religious fervor and the, and the Bitcoin maximalist and shit.

And it's like, someone can do this, right?

That's in the business.

So let's talk about that exam.

I've talked about exam on the pod a ton because I think it's one of those sites that I see.

I don't think I know how big they are.

I mean, like, I would imagine like not big, like two or three million a year in revenue, but I have no idea.

That's just a guess.

But I know it's not big because they don't hire a ton of people.

And I was like, this is one of the most under monetized sites.

I know.

Well, I actually think that their exam could be significantly exam could be a hundred million dollar a year of business, I think.

Wow.

How do you think?

So there's a bunch of, so I would, I think that they, for one, they don't do any affiliates.

So something like wire cutter, you know, wire cutter.

So in, in New York times, you know, they're a publicly traded company, they're the wire cutter revenue got classified now as like other revenue.

So I've been trying to like decipher it and figure it out.

And they do something like close to nine figures in sales from affiliate affiliates.

Exam doesn't want to do that.

But I think they, I think they could, I think they could do it in a tasteful way and it could work wonderfully because what exam doesn't do is they don't tell you which brands to buy.

But I think they should because that's what I want and that's what a lot of people want.

Additionally, I think you could sell to doctors.

So there's actually another company out there that does like four or five hundred million dollars a year in sales and they sell to doctors and when you go to the doctor and you have like a rash, they just like, it's like Wikipedia for doctors.

They like look it up and like the latest studies are there on that.

Interesting.

And exam, you know, I didn't talk to Saul about that, but they don't want to do it because they don't, do they not want it to taint?

Yeah.

They don't want to become a review site.

I mean, that's why we don't trust review sites, right?

It's, but I trust some, I trust wire cutter.

Yeah.

I mean, I think there, I think there's this way to solve for that.

Like, like, dude, like if Casey Neistat is a YouTuber who I like, if he tells me a cool

## [Transcript] My First Million / SaaS Companies that Anyone Can Start with Rob Walling

product and then there's an affiliate link there, I don't care that it's an affiliate link.

Right.

But anyway, what exam, I also think examin.com could work for injuries.

Oh, like medical, like, hey, my knee, because to get the definitive, yeah, this is that or just illnesses in general, right?

You Google symptoms and rehab.

Yeah.

Dude, are you sick or injured enough to make that a thing that you would pay monthly subscription for?

Not me.

Well, I don't know.

I don't know if you could make money through subscriptions with that, but I do think that like when you have like an Achilles injury and you're like, I'm desperate, I'll do anything.

I just need to learn, like, because I remember when I was researching for my, like, I had a pain in my leg.

I was like, I like, I went to all the studies and I just read all the studies.

I'm like, I'm just going to figure this out.

I'm not going to read like an eHow article on how to do this.

I'm just going to go to source and like, what's the, what's the thing that I'm reading about the studies?

But how does Rob, you know, how does examine.com operate?

Like how does that literally work?

Because all they do is they like pour through all the studies and find the ones that have a good sample size, that have definitive proof, and they make a list of like these work for sure.

And then they have another list that says these seem like they might be able to work, but we can't say for certain.

And then these are shit.

Don't trust.

Pretty much.

Yep.

And they, their big hit early on, he said all this on the podcast, it was, it was all SEO, right?

It was organic.

And then they took a Google dive at some point.

I don't know when it was, but they had already implemented their subscription revenue.

I don't even think that they had ads at one point.

I don't know that they do anymore.

I'm actually on the side looking around.

But yeah, that's it.

That's how they write the topic.

And their, what is their value?

It's the brand.



It's the trust.

You know what I mean?

That's why everyone goes to it because they have built that brand that you, you trusted and I trust it.

But, but how do they do that though?

They literally just have one, they go, uh, all right, editorial team this week, you Steve, your writer, your writing topic is building muscles.

So go and research everything that helps you go research, creatine, protein.

So if I were them, I would be looking, they've been around for a decade now, all the topics have been covered.

I'm only looking for new information, right?

I'd be monitoring all the journals, all the whatever's and have subscriptions to all that.

I don't know exactly how they do it.

But that, that would be it, right?

It's having a Google alerts essentially for all the new medical stuff to just update.

You just want to keep it updated.

That's crazy.

I can't imagine there's a new topic they haven't already covered in their thousands of pages.

And this would actually make way more money in crypto.

Totally.

I mean, there's several, there's several niches where this, this would be interesting.

The hardest part is there's a bunch of crypto news sites.

And when I go to them, I just don't know.

I don't trust them.

Yeah.

Are these guys like these like hardcore libertarian, the world's going to end, fuck money, like fuck cash because it's just stupid.

Or are that, you know, like a great way to explain it is like, basically, do you remember like the Mac versus PC ads where there was like a cool looking Mac guy versus a nerdy PC guy?

And do you remember that animosity created between Mac and PC guys?

Now imagine if each person who owned a Mac or a PC had a million dollars of Apple stock.

That's like, that's like the, the, the, that's like the vibe that you're going to get.

That's right.

And so religious fervor with money behind it.

And so it's very hard for me to hear a crypto guy, even Sean, Sean's one of my best friends in heat, but I know he's got a lot of crypto.

So I'm like, but is this because you, are you telling me what you want to happen or what you think will happen?

Right.

So it's actually really interesting.

What would you do to build that?

I would start.

So first thing you have to do is build credibility.

You have to start there.

You probably start a podcast so that people could hear my thinking week to week.

I would definitely be attending all of the crypto events anywhere to get into the network to build trust because if people don't, if you're anonymous, like if you try to build this anonymously, no one's, no one's going to believe it.

So I would get into the network and then follow the model.

I would look at what did examine do.

We know anyone who has done this model, what did they do in terms of, of content?

And then obviously just hire writers and look at the white papers and give our opinions.

And this is actually a cool business because this business could last a hundred years.

So like if you look at like consumer reports, consumer reports has been around for decades.

They still do well into the nine figures of revenue.

So consumer reports is a, you know, review site that people pay money for.

They're a nonprofit.

So all of their expenses are public.

All their revenue is public and everything and they're still growing.

And so like if you do a good job of building a brand like on this topic and you start reviewing stuff and you do a good job, you could review many other things and last for a very long time.

It's kind of a cool company.

Yeah.

Yeah.

They are still kicking.

Anything else interests you?

I am interested in, I mean, this is, you know, normally I'm boring, but boring businesses are my favorite, right?

Because it's like B2B sass is, is a way to go.

I think anytime you can take a concept like we've said with builder, you know, where it was just like CRM for customers.

We have another company we funded called client hub, which is basically project management, CRM for accountants.

And then we have another one that's called Jim desk, which is basically run your gym business on it.

It's like kind of CRM and communication.

So it's like, how many niches are there where that works?

Some of these are going to be seven or eight for your businesses.

Some of the niches are going to be very, very small, but that's where you just have to pick.

It's like, Hey, am I a lifestyle bootstrapper because I want a \$10, \$20,000 a month business.

But I like these ideas of, you know, it depends on your ambition.

But if you want to stay small and just build an incredibly profitable business with two people working on a, you know, a hundred grand a month, I mean, you can enter a not a less competitive space.

If you want to grow big and grow faster than you enter a space like electronic signature or like calendar scheduling links, which we funded companies in both like Calendly competitor

and, you know, and hello sign competitor or whatever, there are a lot of competition. You have to move faster, but the market opportunity there is just tremendous. What do you, how do you decide if it's going to be a eight figure idea or much smaller? Is there a metric that you look for?

Yeah, that's an interesting question.

I usually, so with tiny seed companies, when they apply, we say, if your ambition is to build a seven figure annual recurring revenue company, then you're in the right place.

We get some people who say, I really want just a half million dollar business.

It's like, great.

That's going to be a great business for you, but that's not really fundable for us.

It just doesn't make sense.

I think a big piece of can it get into the, you know, and we'd love to see mid seven figures and upright, but a big question of, can it get there?

A lot of it is less about market size because most markets are big enough.

There are few markets that are too small.

Most of it is the metrics of the business is where we look at the churn and we look at the pricing.

And so if you're, if everybody's too price sensitive to your point earlier, if everyone's a fly fisherman podcast and everyone's paying in, you know, 10 to 20 bucks a month and that's kind of where most people are.

And then your churn is 10% like you just can't, you know, almost impossible to build a million two million dollar business.

But when you get to the point where, hey, my average revenue per user is a hundred or 500 a month and your churn is two or 3%, you would have to own the whole market.

But there's almost any market is big enough that that can be a five million dollar business.

All right.

My last question, how many of these folks building software companies that you see yourself included are non-technical?

That's a great question.

And if they are non-technical, what do they do?

Yep.

So I'm a developer or was I haven't written code in years, but we actually ask, so we do a state of independence ass survey and we put out a report and like an industry report.

And we asked the question, do you have at least one technical founder, right?

Or you know, and yes or no, right?

And the number of SaaS companies kind of bootstrap dish SaaS companies with zero, with no technical

founders is like 20, I believe it's 20%, 25% very possible.

It is and usually what the expertise they have, they're either the subject matter expert like we're going to build software for accountants.

I was an accountant for 20 years, right?

We're going to be a software for UX designers.

I was a designer for 10 years.

They're either that or their sales or marketing.

## [Transcript] My First Million / SaaS Companies that Anyone Can Start with Rob Walling

That's what they should have.

Now we've seen where there's a developer and then there's like the business person, the business guy or gal.

It just means like anything.

Yeah.

It usually winds up meaning you're not actually that helpful and you probably shouldn't be a co-founder.

You know, if you can't sell or market or like have input on the product, you know, or develop it like those are really the four roles you probably shouldn't be.

So if I'm like, I'm not technical, I'm not technical, but I can like tie stuff together and use Zapier and I'm super creative.

How do I start a software company without hiring or I would maybe hiring zip without having a co-founder, right?

So for you, since you have money, you would either acquire something because there's always stuff for sale that you may want to acquire and then just grow if you have a content marketing expertise or you would hire, you know, a developer or an agency or something to build it.

If you don't have the money, a lot of people non-technical will work a day job and actually funnel money to the side to basically pay for a developer to do it.

The other two approaches I've seen are exactly what you said, which is I'm going to build my minimal viable product using Zapier and Notion and chewing gum, right?

And I'm just going to cobble it together to the point where, hey, if I get a few grand a month in revenue, this proves it and now I'm going to use that to get it built.

It's a harder way to go, but it's possible.

The last one I've seen, which is genius.

And this is what the founder of Castos did because he's a single founder, not a developer.

He worked a day job.

He started a productized service podcast editing and he got it up to, I forget what the number was, 30 or 40 grand a month in productized podcast.

He was one of the earlier ones.

It was called podcast motor.

He was working a day job the whole time.

So then while he was actually doing the editing or he did it at first and then got someone overseas.

Exactly.

Yep.

Yep.

Or even as folks in US and Canada doing it and there was enough profit margin that he then started reinvesting and said, well, now I want to build now that I'm doing podcast hosting.

He actually was in the podcast space.

Someone says, I have this WordPress podcast plugin for podcast hosting on WordPress and I want someone to kind of adopt it type thing.

Since he was doing something in public, they approached him.

He bought it for not very much money and then he built the entire, you know, what again

is a seven figure business he's raised, you know, aside from us, he's raised three quarters of a million dollars and it's growing fast.

So that's the other way to do it is like, I even, I was a developer and I had to do it nights and weekends too, you know, when I was pulling money away from the day job.

For the agency and hiring a developer, what, what's the best way to do that?

Do a lot of these folks like a lot, like when I was starting, everyone said like, oh, just go on Odesk and hire someone in India to do it.

And I'm like, I don't know, man.

That doesn't sound like I can like, like, you can, yeah, so what do you, what are there any agencies that you like or for hiring devs, are you hiring someone by the hour in America?

What do you typically see?

Yeah.

I typically see, I see a lot of people going either through referrals, like you get into a community, microconf connect or indie hackers or whatever, dynamite circle.

And you ask and you say, who has used someone whom you trust, right?

So you try to get that referral.

It's not just a, a flat look because going to Upwork, which used to be Odesk is kind of a shit show these days.

The other thing is there are now these referral services aggregators.

There's one called trust shoring, which is run by a guy who attends microconf, but he basically knows a bunch of Eastern European dev agencies.

And if you come to him and say, I want to build an iOS app, he'll say, cool, I have these three agencies that I, that I refer to, he's almost like a broker anyway, but like, he's a good dude and he knows them, you know, and so he, and he's vetted them.

And then there's one called cloud devs.com and they do the similar thing for Latin America.

And so do you like, do you like top towel or anything like that?

Top towel is good, it's expensive, right?

Cause I think it's 150 an hour.

So it depends on budget and all that if you're, if you're scraping by.

I haven't used top towel, but I've had friends use it and I heard quality was really good in the early days.

And of course, like anything, it gets, you know, less and less, but that's certainly something you could try to.

How much would you budget to create an MVP?

It depends on what it is.

You're talking like a SaaS app.

Yeah.

Here's the other thing, man.

If you, if you are non-technical and you've never started a startup before, I would say don't build a SaaS app.

It's too hard.

And go, I have this thing called the stair step approach to bootstrapping, which is like start small with like a WordPress plugin, a HubSpot add-on, a Salesforce add-on, a Heroku add-on and go build that, cut your teeth out.

## [Transcript] My First Million / SaaS Companies that Anyone Can Start with Rob Walling

It's way less expensive, way harder to maintain, way easier to maintain.

You get the experience, you get some revenue, then grow it to enough that you can buy out, just buy out your day job, eight grand, eight grand a month, maybe 10 grand a month.

Then and now you have experience, you can double down and do it.

This is awesome.

To your question of building an MVP of a SaaS app, 10 to 30 grand, how to throw it out.

But, and you think a non-technical person could actually maintain that and understand what's going on.

Well, no, then you'd need to have that agency sticker.

That's where I'm saying, if you're non-technical, you either need some money, I mean, this is why folks, you build it and you're, you pre-sell it, you get to the point where there's enough revenue that you can then justify, you know, raising funding, right?

If you're non-technical or you have a side job that's putting money into it.

Well, thanks for coming and talking about this.

You have a good view of what's going on in this space.

I think it's badass.

Ben, what do you think?

Awesome, man.

Yeah, that was great.

Thanks so much for coming on, Rob.

Appreciate it.

Absolutely.

Thank you guys.

I really appreciate it.

This is awesome.

Do you want to give a pitch?

Where do people follow you most?

So, I'm on Twitter at Rob Walling and frankly, they listen to this podcast.

They would probably like startups for the rest of us.

It's more focused on, you know, SaaS and startups, but 35 minutes every week for 590 episodes.

That's badass.

I'm a fan.

I've been listening to you for a long time.

Almost 10 years, it feels like.

Thank you.

This is awesome.

Thanks for coming.

Thanks so much, Sam.

Boom.

That's it.

Yeah.

I feel like I can rule the world.

I know I could be what I want to.

I put my all in it like no days off.

On the road, let's travel.  
Never looking back.