

[Transcript] My First Million / We Hosted A "Shark Tank" For Tech Startups | My First Million Demo Day

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.

So basically we're going to, it's like Shark Tank, but the viewers can invest.

And I think, all right.

So we're going to have six startups.

Each startup gets two minutes to pitch and then we have up to five minutes to ask questions.

And last time, I don't know if you remember the show, but last time we, the companies that pitched ended up raising like millions of millions of dollars.

Hey, my first million fans.

This is producer Ben just dropping in to let you know that this is a demo day episode, which means it was recorded live with Stonks.com.

And obviously it was recorded with video, with presentations.

Most of the presenters had decks for their startups.

And so it's a little easier to follow along if you're actually watching the video.

Having said that, I think it's a great podcast episode.

But if you want to follow along with everything that's happening, you can go ahead and go to the YouTube link that is in the show notes and watch this episode as well.

Either way, whether you're watching or listening, enjoy.

All right.

What up, Sean?

Do you play video games?

Of course I play video games.

Do you really?

Not as much as I really do.

I don't really play at all, but I mean, I just, I don't, I'm not like a gamer, but do you know what Xbox cloud is?

I didn't know what that was.

Yeah, kind of.

I don't, I'm in the PS, I'm in the PlayStation universe.

I don't really use Xbox cloud, but it's like the cloud gaming thing for them.

Yeah.

But basically I, I paid like a dollar to play flight sim.

[Transcript] My First Million / We Hosted A "Shark Tank" For Tech Startups | My First Million Demo Day

Do you know what flight sim is?

Yeah, of course.

You probably love that thing.

It's awesome.

I just started doing it and like, because me and Sarah are thinking about going to Korea and I'm like, well, let's just go like fly to Seoul right now and see what it's like.

Like you can fly around and I paid a dollar for it and I'm playing on my computer.

It's so cool.

I've never like been a video gamer, but it's awesome.

A video gamer?

Just gamer.

Hello, fellow millennials.

Yeah.

Wait, so do we not see these pitches?

What's going on here?

So, um, I see a bunch of comments.

I've got a screen over here.

Do you have the, the comments set up?

Okay.

And then, um, I believe Courtney or someone else is going to control it.

So someone's going to come up and they're going to pitch for two minutes.

Okay.

Great.

And are we, we're really investing money this time.

Maybe I'm not doing it if it's, I'm only doing it if it's good.

Well, yeah.

Only if it's good.

Of course.

I'm not, uh, not going to just throw money at something bad, but I'm ready.

I got the checkbook out.

So I'm ready today.

I think \$50,000 would be awesome to deploy if there's a great startup in here, but we shall see.

What's up?

I can see the chat.

So let's give a background here.

All right.

So this thing, it's called stonks.com.

It's like a live shark tank type of a company.

I'm an investor in it.

So I have like, uh, uh, I have some interest here, but, um, you're not an investor, right Sean?

This company.

[Transcript] My First Million / We Hosted A "Shark Tank" For Tech Startups | My First Million Demo Day

I'm just working for free right now.

Yes.

I don't care if people use it or not, but I just, I just wanted to disclose that.

So six companies describe the, describe the format.

It's cool.

There's basically a video screen where they pitch the investors.

There's right now 250 people watching live and then there's a live chat.

So people in the audience and they could tag themselves as angel investor, founder, VC, just I don't know, normal, you know, muggle and, uh, you, they can chat during the pitches.

They can also express interest to invest, uh, which will let them like connect with that founder after the fact.

So it's kind of like a way, it's a way to do angel investing, no matter where you are in the world, making shark tank, you know, the default process for investing, which is pretty dope.

And, uh, yeah, as Calvin says, no small boy stuff today.

That's my only rule with these founders coming and pitching, coming and pitching.

They always say, what's your advice?

I say it's the same as always.

No small boy stuff.

All right.

So, so basically we're going to, it's like shark tank, but the viewers can invest.

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And last time, I don't know if you remember the show, but last time we, the companies that pitched ended up raising like millions of millions of dollars.

So it was, it was pretty interesting.

So let's see if we get that, uh, just another life change, just another day, just another life change.

Well, cause we, so basically we're doing this live and then we're going to air on our YouTube and podcast.

And I think people can still invest at that point, but so yeah, a lot of lives were changed, but let's check it out.

We're going to go, uh, the first one, uh, Jesse, you're going to, uh, bring it up.

There you go.

Two minutes.

And then, uh, we do five minute Q and a.

Awesome.

Hey guys, Luke from Cherry here.

Hey, Sam.

Hey, Sean.

Um, so Cherry is a, uh, exists to ensure accommodation businesses get more direct bookings and in turn, giving consumers better travel deals.

[Transcript] My First Million / We Hosted A "Shark Tank" For Tech Startups | My First Million Demo Day

So online travel agencies today, like Expedia, booking.com and Airbnb, bringing around \$250 million in bookings, resulting around 35 billion in commission fees, an average property can sometimes pay up to 30% commissioners on those bookings with the market power that these guys have.

It's really hard for an individual property to get direct bookings and that's where we've come in.

Meet Cherry.

Cherry is a free browser extension that gives you deals when searching for accommodations. You can find it right now at join.cherry.com.

So imagine that you're searching for a property.

You're looking on booking.com, you've found one you liked and bam, Cherry is going to pop up.

It's going to show you a better deal for booking directly with the property and on clicking get deal will take you directly through to the property's direct website.

We copy across the guests, the check in, the checkout and the promo code, allowing you to check out with ease.

Now Sam, imagine we did this with marathon ranch on Airbnb.

You could have cherry popping up, showing a deal directly to customers, allowing them to come through to your direct guesty booking engine on your own website.

All of our properties have dedicated back end, allowing them to manage their deal daily, monthly or seasonally.

They've got full control.

The current product works across desktop and in the future months will be launching all your favorite travel deals directly from your pocket on mobile.

We're highly adaptable.

We work across all accommodation providers like city hotels, resorts, vacation rentals and the future proofing of our product is across attractions, flights and also car hire.

Within four short months we're approaching 1,000 partner properties in Australia, New Zealand and Canada from all the major brands you might be aware of and by November we'll be launching to the US with an expected 20,000 partner properties.

Where the team to get this done, we've got a mixture of great travel and tech experience and a graded sounding advisory board across marketplaces, travel and tech as well.

So what do you say?

Should we go back to traveling?

Oh, nice little closing.

Do you work on that today?

Yeah, I did.

That's good.

Good.

I like that.

Hey, this is really like Shark Tank.

So what do you say?

Shall we fly through the sky?

[Transcript] My First Million / We Hosted A "Shark Tank" For Tech Startups | My First Million Demo Day

All right.

So let's start off, Sam, give me your initial thoughts.

I don't know this space that much.

So my initial thoughts are I'm trying to figure out how this is different from just like Expedia with a Chrome plugin.

Or is that it?

Is that like the dumbed-down version?

Yeah, we're essentially allowing properties to get more direct bookings by having it pop up on online travel agencies, sending them direct to the property's website so they're not having to pay the large commission fees.

There's a two-way incentive.

So the buyer gets a little discount and then the hotel doesn't have to pay the referral fee to Expedia.

Correct.

Instead, they pay a referral fee to you, presumably.

Yeah, we charge on a performance base and sometimes on a subscription base.

So are you cheaper than Expedia then?

Yeah, correct.

So for us, we charge a performance fee of \$10 a month and then we pay \$0.79 a click, whereas some of these properties are paying upwards of 30% commission on some of these bookings.

And the way it works is you have this Chrome plugin installed.

I go to HiltonSydney.com or whatever it is and it says, hey, sorry, I go to Expedia or I go to some other website where there's hotels listed and it goes, hey, by the way, if you just click this little, it's like honey.

So I see like a little notification on my Chrome thing and it says, if you click that, you're actually going to save \$10 if you just come straight to our website.

Is that right?

Correct.

So how do you get the Chrome extension users, right?

That seems like the hard part.

So how do you get them today?

As you said, you had 3,000 of them.

So where do those 3,000 come from and where do the next 10 or 30,000 come from and how much does that cost you?

Yeah.

So what we've done is we've been able to partner with the hotels that we're signing up, which has made it really easy for from a customer acquisition point of view.

So for instance, we're launching with around 300 new properties in Canada at the moment and they're actually rolling it out to their loyalty base around 2 million members from an email point of view.

And so we'll partner with them and that's the engaging point of view that we're going out with.

[Transcript] My First Million / We Hosted A "Shark Tank" For Tech Startups | My First Million Demo Day

And then we've got some paid media rolling out across YouTube and Reddit and those are the likes.

Sorry.

So I don't understand.

So why does the hotel care to tell its customers to install Cherry?

Yeah.

So they're almost sick of paying these large commission fees that they do to the online travel agencies.

So for them to be able to bring their members, incentivize them to use the Cherry product while they're searching across all of the different online travel agencies, it's a benefit for them to then not have to pay those commissions every single time.

Do you think that what, let's say that you're actually advising people not to invest in you because the travel industry is so hard, like what's like the honest truth that you would say?

Because the travel industry like performance marketing in the travel industry seems like the most cutthroat thing there is next to like, you know, ranking for like lawyer terms like mesophilia, Lyoma lawsuit, you know what I mean?

Like what else?

Definitely.

Well, I guess the data that we've seen travel over the last four months is that it's actually back and it's bigger than 2019 pre-pandemic levels that we saw.

And not just that it's back from a Boeing perspective, but in terms of what people are spending is higher.

So the average room rate of dollar value that people are spending is going higher.

So yeah, I'm trying to tell you not to invest at this point, but from our regard, travel comes back and bigger than ever.

So it seemed like Honey did a great job because they found a way to acquire users for cheap and I think YouTubers and influencers were like one of the big strategies.

It seems like you could do that with these like travel bloggers, travel tips, you know, flight deals, hotel deal type of type of bloggers, YouTubers, that sort of thing.

Have you guys started doing that?

And what do you see?

What's the, what is the, what does it cost you to get an install when you pay, right?

Because I don't know, I'm not really buying this, this idea that hotels are just going to keep spamming their, their customers to install your app.

That just doesn't seem, just because they're so fed up with Expedia.

I don't know.

I don't really buy that.

Yeah.

Yeah.

So when we first started, we were noticing \$10, \$12 of a CPA on, on Facebook and Instagram and we realized that that was just not continually achievable.

And so we switched and we pivoted very much into the reds and the Pinterest of the world

[Transcript] My First Million / We Hosted A "Shark Tank" For Tech Startups | My First Million Demo Day

and we were able to get down to sort of that \$2, \$3 mark, but YouTube is where we identified the big growth.

How much did you spend?

We were spending a few thousand dollars a month.

Hmm.

Yeah.

And what's, what's, what's a customer worth?

So what do those customers generate for you, you know, in a year?

Yeah.

So the, the customers aren't necessarily the generators for us.

It's the, the properties paying the performance and the subscription fee, but the average saving for a customer could be up to, you know, \$150 a year in, uh, in travel savings.

Gotcha.

Okay.

They're telling us we're at time.

Uh, Luke.

Thank you.

Thanks guys.

I mean, Sam will quickly debrief and then we'll move on to the next pitch.

So I'm out, I'm out, not, has nothing to do with him.

It's just the industry.

I'm just, I, I, it's not you.

It's not me.

Yeah.

It's the industry.

Yeah.

So look, I'm one of the very few, so I, uh, there's this weird rule.

I don't know if it's a law or it's a rule, but basically, have you ever heard about this where, um, like Expedia or some other company, they, there's this regulation that they have to display and like the same rate across all websites.

If that rate is going to be publicly available.

Have you ever heard of that?

No, but that makes sense.

So there's these guys I met who bought these, um, Instagram handles like at hotel and now they have like 50 million followers across all their things and it says DM us for a good hotel deal and you DM them and they have a chat bot that figures out where you want to go and then they could actually spend, send you way more exclusive deals because they don't have to follow the law because it's not, it's a private conversation.

And I think that's like an interesting take.

This, that's a, that's a really intriguing take to me.

This take that this guy has, uh, Luke, I think it's also interesting.

I don't think it's good enough though to like be crazy different from all the other folks out there in an industry that's to me as somewhat uneducated seems like it's a really, really,

[Transcript] My First Million / We Hosted A "Shark Tank" For Tech Startups | My First Million Demo Day

really, really tough to succeed in.

I think the hard part here is I'm not installing this unless I'm traveling.

Right.

Like I've not just, oh, let me just, uh, preemptively install this.

So I think travel is so infrequent.

It's hard to get people to install this and I didn't love that answer.

He gave it the end.

He's like, Oh, our customers don't generate money for us.

Well, they do.

Right.

They're the ones who go book.

And so, you know, on average.

For people that install 25% actually go book something and of those 25% who book on average, that generates \$20 for us.

And so I can tell you no public math, but let me just do it anyways.

That's, you know, whatever four or five bucks that that customer's worth for me and I bought them for two.

So that's your spread.

There's going to be some math like that.

So that's what I'm always looking for with founders is can you from a bottoms up way explain how the money machine of your business works.

I put a dollar in here, then it generates, you know, \$3 on the way out.

And I've done that at this scale.

And now the only question is if I scale up, will that money stay the same?

Right.

That's, that's what I'm looking to do.

So yeah, I'm out as well.

Like the guy, like the name, but I think that honey for travel.

If it was going to be a thing, honey would do it.

And if it, you know, and I also think that the, and I think the reason they don't is because as a standalone thing, it's hard to acquire users for this because travel is infrequent and expensive.

There's a commenter in the chat room that says, my wife says she's out.

I agree with it.

I agree with Ben Simpson's wife.

And in fact, I want to know what all of your wives feel.

And if your wife's not around, cause she's not watching this at a 10 a.m. on a Tuesday, you know your wife and you know your husband.

So just tell us in the chat after every single pitch is your wife or husband in or out based on what you know about them.

All right.

A quick message from our sponsor.

You know, I was thinking about the shortest day of the year earlier.

[Transcript] My First Million / We Hosted A "Shark Tank" For Tech Startups | My First Million Demo Day

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 hub spots 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).

All right.

Next up.

Yeah.

I want to know too.

And also ask, ask them.

My wife is definitely out.

Yeah.

My wife is Sarah.

Is Sarah out for you?

Yeah.

She's not in.

And if you want to ask them what they, what your wife's opinion is on Sean and me as well as the startups, we're okay to, we'll listen to that, but only if it's a good thing.

Next up.

Hold on.

Look at this cover from Ali.

I keep my wife, my wife away from the show because you guys are too handsome.

Look, if I had a nickel for every time I heard that, you'd have like 15 cents, I'd have three nickels.

Yeah.

Maybe 25 cents.

Maybe we have a whole quarter.

All right.

Pill, Pill Up is the next startup.

What a name.

Yeah.

Hi guys.

Pill Up.

Pill Up.

Don't be gangstaing.

Yo.

[Transcript] My First Million / We Hosted A "Shark Tank" For Tech Startups | My First Million Demo Day

Yo.
I took the name, Pill Up.
Cheers.
Okay.
Hi guys.
I'm Ankur, co-founder of Pill Up and I'm here to make you millions.
Let's get started.
So 56% of patients in India have poor medication adherence.
And guess how many are chronic patients in India?
430 million.
So that's a big problem and a huge opportunity for us.
But what are the reasons behind this poor adherence?
Number one, forgetfulness.
People tend to forget to eat their medication due to old age, but they're just busy with their schedule.
Second one is poor medication management.
People take the wrong medicines at the wrong time, double dose.
It happens more often than you think.
Financial constraints.
The fourth one is personal beliefs.
Some people in India believe if they start to take medicines, they have to take it for the lifetime.
And the fifth one is unable to read doctor prescription, presenting you the Pill Up solution.
We pre-sort your medication by time and date, personalized as per your prescription, but you will still forget to take medicines due to some reason, right?
Don't worry.
We got you covered.
We provide medication reminders on your preferred platform so you don't forget to take medicine.
But in case you still do, your wife will remind you because we're going to alert her after one hour of your medication time.
And lastly, we convert this beautiful doodle art of the doctor into a Pill Up planner which is much easier to understand.
We provide a one-stop solution to improve your medication adherence through the app, through pre-sorting pouches, and our dispenser.
We are a team of engineer, analyst, and doctor.
I'm a serial entrepreneur and a YCL human eye.
Dr. Manish has 19 years of experience.
He is a cardiologist and I can't share the brains behind this whole business.
To put things into perspective, even if you miss one day of medication in tuberculosis, you start again from day zero.
Let this sink in.
Thank you.
Good job.

[Transcript] My First Million / We Hosted A "Shark Tank" For Tech Startups | My First Million Demo Day

Thank you.

Ankur, that was awesome.

Let that sink in.

Thank you.

You started and ended with some major restaurant owner energy right there.

If you came in and said, I'm here to make you millions and you left with, let that sink in.

Thank you.

I've actually never seen that.

I don't know.

I'm still a little shook.

Sam, you take it away.

That was great.

Yeah.

I think you did a good job.

Are you...

Is this an Indian company?

Is this in India?

Yes.

Yes.

And you're in downtown India right now.

I could hear the...

I could hear the...

Where are you at?

I'm in the capital, New Delhi.

Nice.

You're wearing a Y Combinator shirt.

Make something people want.

Is this a YC company?

No.

My previous startup was a YC company.

Oh, that's...

So this was in winter 21.

So me and my partner, we pivoted and had a different vision for where to take the company.

So I started on you.

Is this company basically Pill Pack for India?

Yeah, kind of, but the customer insights are a bit different.

So Pill Pack was focused on medication management, pre-sorting so that people can stay at home and spend more time with their family, while our focus is on to increase the medication adherence issue, which is reminding people to take their medication, timely intervention, and to make their life more easier and convenient.

So I would say 50% to 60% Pill Pack, but there's more to it.

And why doesn't Pill Pack focus on that?

[Transcript] My First Million / We Hosted A "Shark Tank" For Tech Startups | My First Million Demo Day

So is it that in India, the problem is different?

That the people's behavior is different?

Or why wouldn't you just do Pill Pack for India?

Pill Pack's been quite successful.

Is India itself not enough of a differentiator from there?

No.

So Pill Pack hasn't entered India because there has been a recent healthcare regulation change.

So that makes it possible for India, the UHI change, similar to the UPI, if you're aware of what the payments change that happen and change the whole fintech industry.

Similarly, the UHI change is happening in India.

Moreover, due to COVID, the e-pharmacy have been booming in the last three years with the CHR of 45% and with the online payments, it has made possible to get this technology out there.

Earlier in India, online ordering of medicine wasn't a concept.

You should change your shirt instead of make something people want.

You should say, make drugs people take, and that'll be a head turner.

What is the, what's attraction like?

I feel like you gave us the high-level problem and solution pretty well, but you didn't say much about traction.

So we launched two months ago, last month our traction was \$1,300.

We on an average get an order value of \$200 from our customers per month, and we have a very high retention rate, but as the sample size is very small, it doesn't make sense to say it is 90%.

And how are you going to get customers?

So we have three channels.

One is B2B.

So today also, we made a B2B partnership with old age homes, with whom they are 20 to 30 clients staying in their old age homes.

Second one is we are pushing out the product by introducing it to the doctors through our sales channel.

And third, we will be starting our influencer programs next month, once our WhatsApp bot and all the technical side is on track.

And really important question, is that zero to one on your bookshelf?

Yes.

Hmm.

I'm in.

No.

Yeah.

Is that settlers of Katan?

Oh, yeah.

Yeah, I love Katan.

What have you been saying to American investors who say, dude, American healthcare is too

[Transcript] My First Million / We Hosted A "Shark Tank" For Tech Startups | My First Million Demo Day

complicated.

I don't know anything about that, let alone another country that I maybe don't even know that much about.

So I haven't reached out to the American investors yet.

So this is my first speech.

I just wanted you guys to be my, you know, my investors because I love my first million and I've already received funding so that, you know, I can get into Y Combinator again and, you know, I have a clear path for the next two years, the funding is secured.

And for the American investors, I said, you know, I haven't reached out to them yet.

And you said that the E pharmacies have been booming and that's, I think that's very true.

I looked at investing in an Indian, you know, E pharmacy.

Why don't they just do this, you know, as part of their offering where they're able to sort of.

So their focus is very different.

So E pharmacies right now have been working on two things out of the 15 problems we have identified.

They are working on the delivery part.

They want to do the delivery within three hours.

There are three unicorns already in this space and the whole market right now is discounted.

No one is working on what happens post delivery of medicines.

So that's the space we want to work in.

And that's where we are finding a lot of interest from the people and all our sales are mostly through word of mouth.

So we are in the pre launch phase.

We just shared the product with 10 people and then, you know, we, they just shared further and now we have 250 people and next month we are doing a proper launch.

And you said you're raising \$200,000 at a \$4 million cap.

Is that right?

Yeah.

Okay.

Okay.

Great.

And we're at time.

We can, we can close it up.

Thank you so much, Ankur.

Thanks for coming on.

Thank you, Sean.

Thank you, Sam.

Thanks.

What do you think?

I like it.

I'm in.

I would invest in this at pre seed.

[Transcript] My First Million / We Hosted A "Shark Tank" For Tech Startups | My First Million Demo Day

Now the, the, the questions I have, the things I would want to know is he mentioned that his last company, which was YC 21, that's not very long ago.

It did not.

Not a red flag, but something to ask about.

Yeah.

Yeah.

Exactly.

But, you know, there is some red I see in the distance.

I just don't know if it's a flag or like, you know, it could be a red sign.

Yeah.

Right.

So why, why did him and his co-founder disagree?

Went into that?

How did they handle it?

So, you know, that seems kind of interesting.

I'd like to know a little bit more about that.

And I'd also like to talk to some of the e-pharmacy people and be like, Hey, why isn't there a pill pack for India?

And just hear what they say.

Do you have?

Well, I guess you don't need an Indian based person to like tell you that.

But do you have like a, like someone who's somewhat of an expert on India healthcare?

Yeah.

I know a guy who runs one of the big e-pharmacies there.

And then just in general, you know, this is one, one DM away from getting that answer.

So that would be the other contingency for me.

That's why I would pass is I don't have that.

You know, I don't, I don't, like you could tell, he could have told me anything about India's healthcare.

And I would have said, yeah, okay, cool.

Yeah.

So India has now floated.

It's next to China.

And I'm like, Oh man, that's cool.

Yeah.

So like, he could have said anything and I just, it's really hard for me to, to know like what the truth is.

So I don't know if I would do it.

Also, tell me what you think about this.

Do you think that it's a good pitch or not to say we are pill pack of India?

We are blank, but for this country, yes, sometimes I'm like, yeah, okay, I'm okay with that.

You don't have to, you don't have to like, you know, you don't have to sell.

He really should.

[Transcript] My First Million / We Hosted A "Shark Tank" For Tech Startups | My First Million Demo Day

Don't, don't piss on my back and tell me it's rain.

Just tell me what it is.

Yeah, exactly.

He should have just told us what it is.

He should have said where pill pack for India, pill pack has built a X billion dollar business and was acquired by Amazon and they don't operate in India because of that rate, because of India specific regulations, like he said.

So the pill pack for India is going to start in India and it's going to be us.

Now the things that we do that are similar to pill pack is blank, blank, blank.

That's been validated.

The part we're doing that's new is this, that's how I would have pitched that business in order to like fast, you know, make it faster for the investor to understand the size of the prize.

Do you feel partial towards Indian startups more so than a non, more so, yeah, more so than like, I don't like a French startup or something.

Yeah, kind of like, I think I know a little bit more about the market.

I've been there.

I've, you know, family there.

I've now invested in a bunch of companies there.

So it all just builds over time.

But also it's a humongous market that has just had those like, you know, what do you call those at confection points or whatever, basically a billion people all got mobile phones with internet in the last like couple of years.

And that just like, it's a, it's a dramatic before and after.

And so, you know, serving that market and building solutions for that market is really awesome.

Like now it's a golden cohort of companies because they're all riding the back of this thing where one company basically gave away 4G internet, essentially a dirt, dirt cheap cost cheaper than in America.

So a lot of people got online.

You know, what's fucked up though is that big company that was that it was a big Pakistani company that like everyone was a fan of air or something.

What was it called?

Yeah.

Air lift or something.

Like all, I don't know if it was you, but a bunch of my friends are like, oh, this thing's, this thing's awesome.

This thing's awesome.

And I remember thinking like, I don't know anything about Pakistan, but all my smart friends say this is a good idea.

And I was like really interested in it.

And I think I ended up passing, but it went out of business.

And whether it's good or bad, that impacts whether I want to invest in a foreign company

[Transcript] My First Million / We Hosted A "Shark Tank" For Tech Startups | My First Million Demo Day

because I don't, it's like, oh, I don't know, man, I don't know anything about this country. So I have mixed feelings right now on investing in locations that I know nothing about.

Yeah.

Some of my worst investments came from, well, all these other smart people are doing it.

And I don't know why they did it.

I don't know if they're actually smart.

I don't know if they, you know, what their assumptions are, what their context is, what they can afford to lose.

And so I've made some pretty terrible decisions like that in the past.

So that's famous last words for me is like, well, these other smart people are doing it.

Yeah.

Well, sometimes that works though.

It worked once for me.

All right, Steve, Campus Inc.

Campus Inc.

College Laundry?

Close.

Close.

Close.

Close.

Close.

Close.

I don't know.

Like I got like a stain on my, or like a college tattoo parlor.

I don't know.

Love it.

I haven't gotten that joke before, but I appreciate it.

All right.

Hey, everyone.

My name is Steven.

I'm the CEO of Campus Inc.

We're a D2C and B2B merch platform powered by college athletes and college students.

We build licensed merch platforms for universities.

So every athlete in every sport has the ability to sell merch and profit off their name, image, and likeness.

Meanwhile, we train students on those campuses and design sales and marketing so they can support the athletes and sell to other organizations like the Greek system.

Last year, we did four and a half million dollars in sales this year around pace to do seven million.

Sean, you went to Duke, so I'm going to pick on you a little bit.

In another world, you're a five-star recruit.

Former coach K brings you in and introduces you to your new NIL director.

[Transcript] My First Million / We Hosted A "Shark Tank" For Tech Startups | My First Million Demo Day

You have the opportunity to sell your own branded Duke merch through Campus Inc. We're talking jerseys, custom drops, limited releases, and you're going to earn anywhere between eight to \$15 per item sold.

Your jerseys are going to be sold in the stadium and online.

And when you go to the final four, you're even going to make money on final four apparel. When you go pro-Sean, you're going to be able to sell your Duke jersey for the rest of your life.

At the University of Illinois, we made our college basketball team over \$100,000 in the regular season at and Mark Cuban invested in us over a cold email.

He's helping us take this to every college across the country.

So far, we have over 600 athletes in our queue.

We've signed 15 schools, including Duke, UConn, Syracuse, and most of the Big Ten.

Our platform solves a few significant problems.

One, we noticed that universities are desperate to show they're supporting their athletes in this new NIL space.

Coaches are losing recruits because other schools are moving faster.

They need a solution.

We have it, and we're there for them.

There's also over 180,000 D1 athletes who are all micro influencers and don't have the time, resources, or skills to run their own merch platform.

We're there to help them.

Finally, we know that traditional D2C is throttled and at the mercy of Facebook, we'd rather reward the students.

We think we have an unfair advantage in acquiring customers.

When we sign schools, they connect to athletes, and athletes connect with fans.

And that's how we sell merch at Campus Inc.

All right.

Wow.

Wow.

No small boy stuff.

No small boy stuff, dude.

You put me...

Oh, wow.

Yeah.

No small boy stuff.

Hey, actually, I got a bone to pick with Sean.

Sam, Sam, Sam, sorry.

Sam, I designed you guys a merch platform.

Here, check this out.

Oh, I remember...

Dude, nice.

Do that trick.

I remember...

[Transcript] My First Million / We Hosted A "Shark Tank" For Tech Startups | My First Million Demo Day

Okay.

That is awesome.

And I think I replied with, send me that shirt.

I want it.

Like I said, I said we could...

Actually, the site is live right now.

I bought the domain, too.

What is it?

MFMpod.shop.

Okay.

Now, let me tell you something.

I wasn't trying to be an asshole to you.

I'm just an asshole to everyone who sends me those.

That's why I'm helping Sean out with the Duke stuff.

So I get...

I don't know about you, Sean.

I bet he does in even more so.

I get like five or 10 of those a week of someone saying, I wanted to buy a merch, so we just like made a store for you.

And I just...

I politely tell them to fuck off.

And I think I...

That's what I said to you, right?

Yeah.

I forwarded that to Mark as well.

That's why I didn't want to come on the pod, and I'm just kidding.

So now that we're friends, I'll treat you nicer.

Yeah, you're crazy.

We should do swag.

Okay.

But let's go back to his business.

Let's go back to his business.

Yeah.

Okay.

So I really like a bunch of things about this business, but I have some questions.

Okay.

So what do I like?

I like that you're basically riding the wave of this regulatory chains, the NIL chains that just went into effect.

And that means all the businesses that need to serve that market of college athletes finally being able to monetize their name and likeness, which is what NIL is about, that all those businesses are being created last year, this year, and it sounds like you were early on that wave.

[Transcript] My First Million / We Hosted A "Shark Tank" For Tech Startups | My First Million Demo Day

A couple of quick questions.

Can you use the team logos like you did there so you don't need a special license for that?

So that is a special license, but we go to the university and we basically pitch to them that we have an inclusive and holistic solution.

So every sport, every athlete, softball, baseball, rowing, they grant us the IP and then we're able to build them a whole school platform.

And so yeah, we're able to do what's called co-license merchandise, which is a very specific segment of licensing and we've got those at 15 schools.

You're like, we've sold tens of women's lacrosse sweatshirts.

Well, I'll be honest, one of our biggest rev generators was women's softball at Virginia Tech.

The girls just crushed it and they were in like World Series and people are buying their stuff.

I mean, it's not just football and basketball.

Amazing.

What's Learfield?

Someone was saying how Learfield owns 90% of the licensing rights and if I know nothing about it other than three seconds on Wikipedia, if they own it, can you also get it?

So Learfield, it owns collegiate licensing.

We get the license from them.

So they are the licensed clearing house on behalf of the university.

So when we go to Duke, for instance, we talk to Duke, pitch them, they say, okay, go apply for your license, you go log on to Learfield, apply, Duke accepts it in the back end.

They're just the exchange that you use.

And is Learfield incentivized to let you guys grow?

Like at some point, do they see this as competitive to what they do?

Well, so there's different parts of Learfield.

Learfield is a licensing arm for the university.

So they're there to protect the IP of the university.

But when we have something that's a really unique segment, it's hard for the university to say no.

So if I just wanted to sell like just Duke merch, Duke would be like, no, we've got hundreds of other people doing it.

But the fact that we're in a very niche vertical, the universities are more inclined to create the best opportunities for their athletes.

It'd be silly for them to say no, because he'd be taking away opportunities for them.

By the way, we have 500 people watching live.

I think your startup has 140,000 of total interest, which is pretty dope.

It doesn't suck, I'm 30.

You got that that young 22 year old dog energy.

There you go.

I'm a dog.

There it is.

[Transcript] My First Million / We Hosted A "Shark Tank" For Tech Startups | My First Million Demo Day

I'm a dog.

Thank you for proving my point.

All right.

Do I have a hot dog?

Dude, put those two shirts in a package and please send them to me.

I'll Venmo you.

Those are awesome.

He's like, I have a store.

Just go buy it.

Why don't you give me a coupon code?

Yeah, give me that coupon, Sam 100.

What about?

I like you're doing this franchise model.

You're basically going to get passionate, cheap labor on the campuses and you're going to have this set up on each campus where they do the design, the marketing.

We already have that up until NIL came about.

That was our thematic approach.

We teach college students design and sales.

Right now, we have 150 students on 40 campuses.

They're really big into the Greek system, but now that we have the Greek system and sports, it makes it so much easier for our students across the country.

Got you.

This is kind of a pivot.

It's just opening our opportunity because before, you couldn't do really sports.

Now, you can do just about everything.

When did you start this company and how much money have you already raised?

I bought out a little print shop right after graduating college.

I had a Brian Scalabrini design go viral when I was in school and so I had enough money to buy this little print shop out.

We've since scaled that and so we just got Mark's investment for \$250,000.

Other than that, everything else was bootstrapped from the ground up.

This is the first time we're actually raising capital.

We still own most of the company and we are cashflow positive.

We should be profitable this year.

There is a first movers.

We got to land grab all these schools pretty quick.

You got to stop Sam's getting too excited.

This is a video at a family show.

We can't cross the line here.

You're saying all the right words.

Yeah.

I mean, I love you.

I think I love you.

[Transcript] My First Million / We Hosted A "Shark Tank" For Tech Startups | My First Million Demo Day

I've been and my wife is definitely a no, I'm totally interested.

I think you've got a lot of charisma.

You got a lot of charm.

You're all the story about buying a small print shop and then getting Mark Cuban via cold email.

I know that it looks like you have light bank on board.

They seem like sharks.

I don't know much about them, but they seem like if you got that group on, yeah, yeah.

So you have a very interesting energy about you.

I'm definitely interested in learning more.

They're telling us it's time.

I got one last question for you, which is these ideas sound fun and I often run away from fun ideas because a bunch of people go try to do it.

Maybe the opportunity is not that big because it's fun and sexy.

The big like YouTuber merch back end stores like Fanjoy and some of these other ones like they pretty much all suck, right?

None of them got huge.

What's the difference here?

Okay.

So it's not big, but that's different.

So you have to think about like why we're defensible is because we're essentially enabling our athletes to do the marketing for us, right?

And so if you have 300 athletes at the University of Indiana all pushing this store, every year the school is going to be adding more athletes and then they're going to be pushing those into our big funnel.

So like at the University of Illinois, we're sitting on 20,000 online emails and now we can step up to Fanatics and start competing with them because all of our customer acquisition is rooted in the kids that are actually playing.

Does that make sense?

Yeah.

Okay.

So what's spring?

So teespring is the platform actually Walker is one of my good friends.

Yeah.

Yeah.

Yeah.

And so like a lot of our stuff, there's a small circle of us that have a raising money in the tech space and apparel.

We all talk to each other.

So a lot of this is calling on a lot of each other's APIs and using a lot of the tech that you print through them.

What?

You print through them?

[Transcript] My First Million / We Hosted A "Shark Tank" For Tech Startups | My First Million Demo Day

No.

Like we have our own facility, but that doesn't scale.

And so our CTO actually came from a company called Printavo, shout out Bruce Ackerman. He got acquired recently.

And so we can connect to thousands of print shops across the country.

And so we have the ability to connect the same way teespring does, customing all the bigger guys.

Right.

Where do you live?

Chicago.

Nice, dude.

You want to hang?

Sam's coming over.

Yeah.

Okay.

All right.

You're talking dirty to me.

Yeah.

I'm very interested.

Thanks, Steven.

Great job.

We'll talk soon.

Thanks.

I like a man.

That guy had some charisma.

I think the business is more than mildly interesting.

Yeah.

Yeah.

He's a good entrepreneur.

You could tell that he has like a bunch of the little green flags that you would have to be a good entrepreneur he's got.

And I think he's got a really interesting opportunity here because of the NIL change.

And that answers the big why now question.

Okay.

The idea of printed t-shirt swag is like, you know, the oldest solution in the book, but there's a new problem.

And the new problem is that all of a sudden athletes can do this.

They never could, but they don't know where to start and they're not going to want to do all this infrastructure.

So being the company that partners with them, that I think is really strong.

These econ plays can be freaking tough, man.

Walker, William, to who?

The hard part of here is upside, right?

[Transcript] My First Million / We Hosted A "Shark Tank" For Tech Startups | My First Million Demo Day

Like, is this a billion dollar company?

Is this a hundred?

Is this a 10 billion dollar company?

Well, seriously, no way, this is a 10 billion dollar company, unlikely it's even a billion dollar company.

So that's the hard part.

He's going to raise on like tech valuation terms.

No, well, he's a million cap right now.

Yeah.

But what is his revenue?

I don't know yet.

He didn't, he didn't say he said seven million this year.

I think he said, I mean, it's an econ seven million is like, not very much.

Right.

So, but this is none of the four million last year, he said, this is it crosses the threshold of, so four million last year, seven million this year.

It crosses the threshold of being interesting enough to not say no, at least for me.

Yeah.

The one thing I would want to be figuring out here is, okay, cool, you're going to raise this money at 10.

Are you going to raise money again?

And does he think about this mentally like, oh, I'm a tech founder, I'm going to raise my seed, my series A, my series B, my series C. If so, I'd have to get off the train.

But if he's basically like, hey, I'm going to fund this and value this based on the category that I'm in, which is, you know, let's say, in this case, e-commerce, I think our tech enabled e-commerce, I think that they would be a better conversation there.

So that I think that's my only concern is how big is the prize.

I like, I like everything he's doing, but that part's not in his control.

Yeah.

Well, I felt bad for being rude to him, so I'll, I'll look at it.

All right.

Next, Tara Shroom, Jared from Tara Shroom.

What's up guys?

How are we doing?

What's up?

All right.

Take it away.

All right.

Sam and Sean, why do people listen to my first million podcasts?

Well, it's because they want to make more money.

Coincidentally, Tim Ferriss says, of all the billionaires, I personally know, almost without exception, use mushrooms on a regular basis.

So if you want to step up the podcast to my first billion, you might be interested in

[Transcript] My First Million / We Hosted A "Shark Tank" For Tech Startups | My First Million Demo Day

what we're building.

So Tara Shroom is really straightforward.

It's a patent pending mushroom grow chamber that is intelligent and automated.

So that way anyone can grow mushrooms at home effortlessly.

And the problem is, is while a lot of people want to grow mushrooms at home, growing mushrooms is complicated and it's an eyesore.

And I've been growing mushrooms for nearly six years now.

So I'm speaking from my own personal experience, but mushrooms, they're becoming a wildly popular

and the space is blowing up with billions that are spent on mushrooms annually.

So let's transition a bit and let's talk about product market where we're at.

So passed about two months, we spent about \$4,500 in Facebook ads, and this has resulted in nearly \$65,000 worth of pre-orders.

And our business model is set up.

We have subscription revenue, basically gross supplies that we send every single month.

When you factor this in, we're looking at over \$100,000 when you factor in this subscription LTV.

And this is the team that's making it all possible.

So team is stacked with deep technical, operational, and sales experience.

We have multiple exits and IPOs under our belt.

And one who you might even recognize is an old friend of yours, Sam, as well as former guest on this podcast, Justin Mayers.

So what we're looking for is \$500,000 at a 3.25 post-money valuation.

This is going to help cover all manufacturing costs, get isolated for a Q4 launch, and ultimately shipping out in Q1 of next year.

So guys, if you want to be part of building a product that's helping people become happier, healthier, and maybe even produce a few more billionaires, then we'd love your help to make this happen.

Thank you.

Dude, that Tim Ferriss quote, ambitious.

That's a very rich quote.

Is that real?

He's at every single one of his billionaire friends, takes mushrooms.

A derivative of mushrooms, we can say, but yes.

Interesting.

Well, good pitch.

It looks good.

So explain what it is.

It's a homebrew kit for growing shrooms.

Yeah.

Any type of mushroom species.

So let me give a little bit of backup.

So there's a couple of companies that are kind of in the space right now, one is Back

[Transcript] My First Million / We Hosted A "Shark Tank" For Tech Startups | My First Million Demo Day

to the Roots.

They're doing over \$100 million right now in revenue per year.

Back to the Roots is doing \$100 million in revenue?

Yep.

And then there's Mudwater.

There's FourSigmatic.

Basically, when you take of some companies that are in this space, they're doing nearly a quarter billion dollars from three companies alone.

What we're doing right now is we have a Trojan horse.

This is a beautiful grow chamber that gets people in the app ecosystem, where we have awesome upsell opportunities into other verticals.

The long-term play is ultimately therapeutic.

So when you think of the science, the research is air-futable, legislation is changing.

It's 2022.

Big Pharma, quite frankly, they're scared.

They see the science.

And so we just have a really, really cheap way to basically super cheap customer acquisition costs, get people in the ecosystem, then ultimately down the line, we can almost go down to like telehealth and a lot of like, we're basically, we're not selling atoms, we're ultimately selling like ones and zeros or bits and bytes.

So let me pause you.

So you said back to the Roots does \$100 million and you're like, that's a comparable.

But I go back to the Roots and it's like, you know, moms and their kids and they're growing plants at home is what it looks like.

Not like, you know, high achievers taking mushrooms to be happy because they, the money didn't make it.

They're cool moms.

Yeah.

Cool moms.

Yeah.

It seems like a totally different thing.

So let me talk a little bit about distinct distinction.

You can grow any type of mushrooms in this gourmet medicinal, other varieties as well.

This is not limited to the type that you're thinking of as well as you can even grow micro greens.

I mean, this is ultimately a containerized grown environment that gives you full control over all environmental settings.

So there's a lot that can happen in this.

And that's the exciting part is we have an IoT device that's connected in the home.

You guys know what's happened with Soda Stream, Trigger Grills, doing hundreds of millions of dollars in revenue, exact same thing.

And this is exactly where we're skating to where the puck is.

And so why do you pitch it like it's the psychedelics thing versus, hey, we're Soda Stream for

[Transcript] My First Million / We Hosted A "Shark Tank" For Tech Startups | My First Million Demo Day

growing like, you know, veggies or whatever the hell, like micro veggies or whatever. There's a couple of people in the whole space right now when it comes to, you know, like hydroponic growth solutions for like lettuce.

And I think, you know, the truth is, is like what we're just seeing is the green rush happened a couple of years ago, about a decade ago in California, we're seeing the exact same thing happen in this mushroom space.

And that is where there's going to be billions and billions of dollars to be made. So you can sell, I know nothing about mushrooms, so you can sell that stuff. So here's the thing, what we are selling, just to be clear, what we are selling is just the grow chamber.

We're just selling hardware and we'll say, basically sell some raw and greens you can buy from the store or what have you.

And then we will also sell basically the grow supplies if you want to do gourmet varieties. Fun fact, it's not something that most people don't know.

You can grow, you can order any type of mushroom spore varieties if you catch my drift because they do not contain the psychoactive ingredient in 47 of the 50 US States.

This is a legal loophole.

I've been growing them for about six years, all different types.

So it's something that not many people know, but it's becoming very well established.

Are you on shrooms right now?

Okay, this is...

It didn't answer.

No, he's got his wits about him.

All right.

Okay, so you're doing this and you think that also you're growing through paid ads and through paid ads, you're like, okay, we're not going to get blocked by Facebook for basically saying grow your own weed at home.

Like, you know, it wouldn't allow that, but you're going to basically be able to show this teranium, you know, this home, you know, a little tree that you're going to be able to buy.

Yeah.

Yeah.

So actually, you know, it's funny talking to Justin Mears.

We're doing a huge pivot away from actually the whole like anything psychedelic.

So it's actually just very much like generic.

So I'm taking it very much more down a PC route to basically just grab a much wider audience.

Wow.

Oh, okay.

So you have some interest here for your 40K of interest, but you're raising 605,000.

Is that right?

Sorry, am I reading this wrong?

He's raising 250K.

250K at a 3.3 million cap.

[Transcript] My First Million / We Hosted A "Shark Tank" For Tech Startups | My First Million Demo Day

605 is like in this whole session, how many people have been interested in funding things?
He's got 40K.

And how is this business?

And what's going to happen?

Like, where do you think the exit is?

Yeah, great question.

So honestly, I've just been working on this for the past few months.

Everything from the CAD modeling design, you know, literally everything you've seen done myself.

So basically we're getting ready for getting some engineering validation testing.

And then ultimately exit strategy is, I mean, extremely profitable, you know, acquisitions.

I mean, it's just like the truth is, it's like, we like to make money.

That's why, you know, we're on this podcast, right?

But there's a lot of different ways to do it.

Give us a unit economics real quick.

You can make them, you can make the device for what and ship like basically the cogs plus the shipping is what do you sell it for?

Yeah, perfect.

So what we're looking at right now is \$49 and some change for manufacturing, when you factor in CAD, when you factor in 3PL, basically landed costs, you're looking at about 128. MSRP is \$399.

And then we have a \$29 month subscription.

So basically you're looking at total about \$700 for the customer LTV, based off of like about a 30-some dollar CAD.

All right.

That's time.

Thank you, dude.

Thanks, Jared.

Dude, it's crazy, man.

Valuations have changed.

He's raising out a \$3.3 million cap.

I was thinking about like the upside here.

Angel doesn't get far more attractive in the last three months.

Yeah.

These valuations were all extremely reasonable.

And I think they were all also very early stage.

So these are like pre-seed type of investments, which is great because, you know, that's where a lot of money can be made.

Yeah.

My wife's definitely out on this one.

My wife who has never said a curse word, never drank a drop of alcohol.

I don't think she's a believer that...

Would you ever do shrooms?

[Transcript] My First Million / We Hosted A "Shark Tank" For Tech Startups | My First Million Demo Day

I don't know.

Probably not.

I don't know.

Dude, I've been trying to tell my wife to do it this year.

I'm like, hey, before we have kids, you should try LSD or mushrooms or something.

That'd be awesome.

I'm not gonna do it.

Yeah.

You should do it.

I'm not gonna do it.

Like the other day, we were talking about this relationship book and like, like to make our relationship better.

Like, hey, can you read this for us?

That's the problem.

I think you just identified the problem.

Yeah.

That's how I feel about mushrooms.

Like, hey, can you do this for us?

You know, it's just like change people's lives and make them feel better and happier.

Can you do it for both of us?

Yeah.

This is...

I would say I'm mildly interested in this as well.

I need to learn more.

I don't know.

His answer of is this illegal to sell is still a little...

No, he's saying it's illegal.

He's basically saying all we sell is hardware and then we sell raw ingredients and in 49 of the 50, whatever states...

Yeah.

But he used the phrase...

He used the phrase...

Legal loophole.

...if you catch my drift.

Yeah.

You never want to use if you catch my drift and it's a legal loophole during your pitch because that just sort of says, you know, you're one inch away from this business collapsing.

Yeah.

If you catch my drift.

Yeah.

That's like...

That's really interesting to be.

More than two winks in your pitch about.

[Transcript] My First Million / We Hosted A "Shark Tank" For Tech Startups | My First Million Demo Day

You don't want to be like, yeah, you know what I mean?

Yeah.

Yeah.

So I need to feel...

I need to learn a little bit more.

I'm out, but not for that reason.

I just...

Hardware is hard.

So if I have the choice between investing in a hardware company, a software company,

I'm sort of just leaning towards software unless there's a real outlier.

And then on top of that, I don't really know this market.

I don't know how real the shrooms trend is.

If it's just like a LA, SF, New York type of trend for this type of thing.

I don't know how big...

All the way.

I think it's bigger than...

I think it's...

I read a couple of books about it.

Like people that are going to buy a \$400 like, you know, nest looking, you know, clean device versus just like, you know, pay Diego across the street for like, you know, \$20 for some shrooms.

Like, of course more people take shrooms, but how many people are going to do this like...

Yeah, that's a good...

How many...

You have a...

I grew a weed in high school in a closet.

Did you ever do that?

I can't say I did.

Well, we used to like go to Home Depot and have to like buy the bulbs and stuff and like put a lock in the closet so your mom doesn't come into it.

These things like...

This plus Amazon, it's like the easiest thing ever, like to grow drugs.

I love it.

All right.

We'll go to the next pitch.

So I think in that case, I was out, you were a maybe.

Is that right?

I'm a maybe.

Okay.

Cool.

Let's do the next one.

Morgan from Deal Builder.

Hey, guys.

[Transcript] My First Million / We Hosted A "Shark Tank" For Tech Startups | My First Million Demo Day

What's going on?

All right.

So yeah, my name is Morgan.

I'm the co-founder of Deal Builder.

So Sean and Sam, have you guys heard of the Baby Boomer Tsunami?

It's a bit of a ridiculous name, but it's the \$10 trillion of Baby Boomer owned businesses that are going to need to sell by 2030.

The unfortunate reality is that a majority of them will fail to sell.

And the reason why is because the current marketplace is confusing, it's super expensive, and it's really inefficient.

How do we know this?

Well, over the past decade, my co-founders and I have sold over 250 businesses and have really mastered how to sell small businesses.

And what we've found is that we've developed a proven system for successfully selling businesses, and we found the solution was to build a tech platform so we could rapidly scale and make the process more efficient and transparent.

And that's what we built, Deal Builder, an online marketplace to buy and sell businesses.

So unlike typical listing sites, Deal Builder makes the process guided through end to end, which makes deals close faster and for a fraction of the cost.

We make money by taking up to a 3% platform fee of the transaction.

So our early traction so far, we've closed \$4.5 million worth of GMV on the platform.

We have another \$8.5 million under offer.

And we launched the platform at the tail end of 2021.

And currently, that's been a year-to-date revenue of about \$80,000.

We have another \$65 million that's listed on the platform right now.

And we're projected to hit a billion of GMV listed on the platform by the end of 2023.

That represents another, at our current \$65 million listed, about \$600,000 on the platform.

And to put in the context that \$80,000 of year-to-date revenue, we did 24.5 in August, and we anticipate that a similar amount in September as well.

So we're just getting started as those deals are starting to land.

Our lead investor is friend of the pod, Andrew Wilkinson, from Tiny.

He secured \$450,000 of Canadian dollars in funding, and we're looking to raise another \$250,000 to scale this and take on this chilling dollar problem.

And we wanted to have that chilling there, a grindset mindset from you guys on the cap table as well.

What's the conversion of \$450,000 Canadian dollars to real money?

Oh, it's like you guys are paying like 20 to 30 bucks, I think.

Yeah.

Yeah.

I couldn't figure it out.

Like what monopoly money to USD is.

Yeah, no, I think that in actuality, I think that's probably like 150, I think, or maybe a little bit more US, something like that.

[Transcript] My First Million / We Hosted A "Shark Tank" For Tech Startups | My First Million Demo Day

Really?

Okay.

Dude, this is awesome.

Your site is great.

I think your branding is really slick and cool.

It's not micro-acquire, I think.

Maybe it's because Andrew is just being controversial on Twitter.

I don't think that he's appealing to maybe all the right people.

I think that what you're doing is incredibly intriguing.

This is very interesting.

Why haven't you raised from more people?

This seems like a pretty big opportunity, and you only listed Andrew.

He's great, but that's just one person.

Yeah.

We started out bootstrapped.

We actually just built this for ourselves for the first little while, and then we pivoted the business model.

At first, it was just small businesses that weren't a good fit for our brokerage.

You go and use this and pay a nominal fee, and then we're like, wait, this works with bigger deals, and why not just expand this?

That's when we decided to raise.

Yes.

We're seeing that blue ocean right now and going after it.

Have you talked to all of our nerdy friends, like, well, you're talking to me and Sean.

Have you talked to Cody?

Have you talked to Nick, Huber?

Have you talked to all of our buddies who are all these influencers around this stuff?

Not Nick Huber.

I've exchanged the ends with Cody, but I haven't finalized something, but I also talked to Xavier recently as well, who's really in the space.

Everybody's like, yeah, this is absolutely needed.

This is our little circle jerk group of friends who talk about buying boring businesses.

You'd have a nice little influencer, at least not a game-changing, but maybe a little game-changing.

Anyway, I would probably invest a little bit.

I would like to learn more and do some due diligence, but this is really, really cool.

How big is By-Biz Cell?

Yeah.

So, By-Biz Cell, whatever way you want to do it, is owned by CoStar, and CoStar owns Loopnet, and they're a public company, I think they did \$2.1 billion of revenue, but they're just listing.

They don't take any transactional fees, so our difference with By-Biz Cell is that,

I think, businesses for sales are another competitor.

They had 160,000 listings in 2019, but they probably do \$5 million of revenue because

[Transcript] My First Million / We Hosted A "Shark Tank" For Tech Startups | My First Million Demo Day

they don't take any piece of the transaction, so their value capture is so low to what they actually could be delivering on, but they're just a listing site, so they only just send buyer leads.

They don't actually help guide through the acquisition.

Sean, why did you ask about that versus FE International?

Because it seems like that's the closest comp, right?

By-Biz Cell, for the types of businesses you're selling.

When I go to your site, I see like Chocolate Shop, IT Services Company, so like Microquire is trying to do SaaS, specifically, and FE International is doing larger deals that are using basically like a kind of like a private banker, whereas it looks like this is kind of like how the SMBs are going to trade hands is what you're trying to do.

Is that accurate?

Yeah, and FE International could be a client of ours, so we have a brokerage, like a white label side, so our brokerage now runs all of our deals through Deal Builder and pays a small percentage of every completed deal, and we do their whole back office for them, so they don't have, so with brokers, your cash flow is like this because it's in between each commission, so now they're only paying when deals actually come through, so brokers have just kind of like flooded to it and asked to be on the platform, which is really cool.

I think more than anything, I'm interested in the, I mean, I think your brand is cool, you seem nice and great and competent.

I think that I'm interested in the macro trend, yeah, your handsome, like a baby Dolph Lundgren, yeah, like a little Ivan Drago.

I think that this macro trend is really cool, and I would like to take a part of that.

So how do you get the crank going?

So how are you going to get a bunch of buyers and sellers onto this platform, like what does that take?

I'm sure it's a bunch of brute force at the beginning, but what you're doing to make that happen?

Yeah, so the sell side's harder than the buy side, buyers are everywhere, like everyone thinks buyers are the problem, but it's super easy to find them, and it's free to sign up, so really low friction, feel free to sign up, bunchers, and so on the seller side, we've really grown by referrals, so accountants, other brokers, so brokers refer deals to the platform as well, and then just awareness.

People don't know that these solutions exist, so it's actually really nice from a marketing perspective.

You just say, hey, you can sell your business on our platform, they're like, great, I had no idea, I thought my business wasn't worth anything, so it's really just getting awareness and getting into the right centers of influence, and I think like you're talking about with some of those influencers, I think can make a really big difference.

And your revenue this year is going to be a couple hundred thousand, is that right?

Yeah, likely, it's a little bit hard to predict when the timing of deals will close, but in our pipeline of 600,000 right now, I know a couple hundred thousand of that will close

[Transcript] My First Million / We Hosted A "Shark Tank" For Tech Startups | My First Million Demo Day

for sure, and just in the quality of the businesses, and we've already done 80,000 this year already. How have you paid the bills on your team?

It looks like on your website, it looks like you've got a bunch of people listed.

Yeah, well, the three co-founders, I'm the active operating co-founder, the other two co-founders are really kind of advisor and investor roles, so they were and help out with some of the with the actual kind of like breaking down the brokerage process. And then so there's two developers, myself and a marketing person, one of them is on MATLAB right now, but yeah, so it's like there's like four of us right now that are on payroll.

Sick.

Well, thank you.

This is awesome.

I'd like to learn more.

Yeah, same.

All right.

Thanks, Morgan.

Good job.

Sean, the thing you said at the end, little funky.

Little funky.

About what?

Yeah, the team, not being the team, that freaks me out a little bit because in a couple years when things start working out well, if I'm that kid, I'm going to say, well, what the hell, man, you're not even working here.

Why do you deserve this equity?

And you know, like, we don't know that they have equity.

We don't know how much they're listed as a co-founder.

Yeah, but that might just be like, it seems like, so if you go to their website, there's this like stock photos of like, you know, happy people holding, you know, coffees and like clipboards and like, you know, it seems like maybe he just buffed up the team to be like, look, our team has tons of experience, you know, so if it's a website marketing thing, okay, that's fine.

But if it's actually on the cap table or it's in the deck and then you're in the deck because here's our awesome team with tons of experience.

Oh, I'm the only one who actively works on this.

That's when I'm like, okay, hold on.

How many other things in this deck do I need to question?

So I think that's a little bit of a, you know, yeah, that's all I'm saying.

I don't think it's a red flag, I'm just saying, I would want to dig in just a little bit more on that.

Right.

But that guy just raised \$250,000 it said, it said he was raising 250 and he had 250 of interest.

So good for him.

[Transcript] My First Million / We Hosted A "Shark Tank" For Tech Startups | My First Million Demo Day

We have cost a million dollars of total interest for this session.

So when you talk about moving, moving weight, when you talk about bringing size, when you talk about really hitting the hammer, when you talk about those things, when you talk about those things, you're talking about us.

All right, let's go to the last pitch.

It is Tim from Field Complete.

All right, Tim.

Hey guys, Field Complete is a free app for your local plumber or electrician to run their business.

They live in our app and we become their bank over time.

We found a very unique wedge into this market.

As you know, rentership in the US is on the rise.

Over 35% of all homes are rented and it's growing.

It all started back in 08 when all the foreclosed homes or most of them were bought out by Wall Street are rented.

Paired that with the short-term rental or BNB craze and millennials not being able to or wanting to own.

Heck, now even VCs are buying real estate portfolios right through Adam Newman.

So all these homes need to be professionally maintained by property managers and property managers use contractors and subcontractors to maintain them.

So the problem is that traditionally contractors would either focus on the residential sector with homeowners or the commercial jobs and with property managers entering the single family rental scene as a contractor, you're basically either forced to bootstrap your operation or seven different apps to run your business or your resort to pen and paper, which is basically 80% of contractors today.

And actually my co-founder experienced this problem firsthand when he transitioned his construction company.

He tried this seven different app route and then I'm building his own and only after the subs and the property managers started asking like, hey, what software are you using? We realize how huge this problem is.

So in a nutshell, feel complete as a free software for your local home service contractor to run their business.

And over time, we essentially become their point of sale, their bank, their credit card.

Think of it like a Shopify for the home service contractor.

As far as traction goes, we raised a small pre-seed to rebuild the app.

We launched at the beginning of this year, have over 200 contractors on the platform, serviced over 19,000 homes, over 5 million in GMV this year on track to do 10 million.

We're only currently monetizing the actual revenue on the merchant services.

So anytime a credit card is swiped on there, we're on track to do a little over 100K this year.

We're raising a 2.5 million seed to integrate banking into the solution at job sharing, which basically gives us more users pilot with a property manager integration and hire some support apps.

[Transcript] My First Million / We Hosted A "Shark Tank" For Tech Startups | My First Million Demo Day

And we know this model works well because ever since we've removed the sauce fees, we've been getting about three to four companies signing up organically every day.

So I'll open it up for questions.

Tim, you and I have interacted a bunch online, haven't we?

Yes, we did.

I know your face.

But we've never hung out, have we?

Not yet.

Oh, what's going on?

Nice to meet you.

This is cool.

Congratulations.

When was the first raise that you did?

Yeah, so the first raise was a year and a half ago, about almost two years.

What's your team?

Why no deck?

We went with the no deck.

The deck's attached to the thing of distraction.

Okay.

All right, sounds good.

Are you running out of money now?

No, we have more than seven months of runway.

And this round is coming together.

So we have a lead for this round.

We're basically, most likely, we're going to close it in the next month or two here.

So we have a lead.

All the investors from pre-seed basically exercised their parrata into the round.

And we have some new investors coming in.

And how many people will work there and what you spend each month, roughly?

Yeah, so total team size is 18 right now.

We burn about 60 to 70K a month.

In net burn.

Yeah.

And you're raising how much?

We're doing, we're raising 2.5.

We can potentially over subscribe it, but we think that's enough money for us to get to the next stage.

And last question on that, what's the next stage?

Yeah, so next stage is basically this money will get us to either default alive or raise a bigger growth round.

Like we're on track.

So right now, the companies are signing up organically through subcontracting.

And so the user base is growing on its own.

[Transcript] My First Million / We Hosted A "Shark Tank" For Tech Startups | My First Million Demo Day

We literally only have two support reps on the team right now.

And that's like customer acquisition in this space is tough because it's SMB and it's fragmented, right?

And so we found this wedge where through property managers, they work with multi-trade contractors

and they sub jobs to each other on our platform.

And we get more and more users this way signing up on their own.

And so therefore our cat is not as high like we don't spend money on cat basically all the users that we currently have on the platform or organic.

So say that again.

So how many users do you currently have on the platform and over what period of time were they acquired?

Yeah.

So for this year, we've had about 500 contractors sign up of those basically 200 are active. And then like some contractors are daily active, weekly active monthly, we're tracking all of that.

The daily active are the ones that live inside our software.

The weekly and monthly are the ones that would basically use the app like to receive work and perform work from the contractor.

So they're just using it to basically receive a job and do it.

With the new feature that I was talking about the job sharing that we're going to release, they're going to get a full field complete account as well and they'll be able to use it for all the third party work.

And right now you're keeping 1% of the money that goes through you guys.

Yeah.

So merchant services were like when we were raising our pre-seed, we're thinking it's going to be up to 1%.

We're doing like in the deck is as 1.07 the actual is 1.26 right now with the goal of 10%.

Yeah.

So yes, the answer is yes.

And the way we get there is we're going to release the like you won the banking solution. That's going to average out to about 2%.

There's other fintech offerings we can layer on top basically like settling invoices earlier kind of the way deal does it and other fintech offerings there.

And then from there, we want to pilot with a property manager, integrate with them and give them our book of contractors to dispatch work to and they will give their book of contractors back to us, right?

And so let me ask you a question.

When you internally forget about the pitch, when you look at the health of your business, what is the number one KPI?

So what is the main KPI for you?

Yeah.

[Transcript] My First Million / We Hosted A "Shark Tank" For Tech Startups | My First Million Demo Day

So we're measuring GMV across the board because that's what we can monetize.

We can add layers of monetization in terms of like marketplace fees.

So the GMV is your number one metric and GMV matters because that's what flows through your app directly.

Yes.

So you're saying GMV matters because I take 1% of GMV.

Yes.

Today, yes.

1.26%.

And then without increasing the user base, we can layer more offerings on top of that and increase the revenue as it scales.

What is the math come out to?

So you basically in the last year, you've done like 70 K of revenue, something like that, 5.7 million of GMV and then you multiply that by 1.26.

Is that right?

Yeah.

So for this year, right, this past year, we had about 5.7 GMV to date.

We're at about 42,000 in revenue already.

We will be at the end of the year basically at over 100K.

So I personally, I like the concept of what you're doing, which is basically the sort of workflow slash how to run your business if you're a blue collar contractor here.

I really like that concept.

But what I don't like about this pitch is I'm just confused as to like how big your business is.

You're through a bunch of numbers, you're like, oh, we service 19,000 homes, 5.7 million in GMV.

These sound really big.

But what's the reality?

The reality is you have 200 active users and you made \$40,000 in revenue this year.

That's the reality of the situation.

And I feel like that was so buried in this that I'm like, for me personally, that's too much work to get to an understanding of your business, which tells me that if the business itself was super compelling, you would have just led with the more clear, easy to understand metrics that are like, not like we serve 19,000 homes, which is a total of 43,000 people because four people live in the home.

It's like, oh, dude, like, I don't know, well, I don't know what these numbers are, but they're irrelevant to what your actual business is.

Is your growth keeping you up at night right now?

What's keeping you up at keeping you up at night where you think like, fuck, things are going well, which everyone at all stages of this thing.

So when I'm not saying it for you, but just like you're not not saying you have this only.

Everyone has it.

So what are you saying that about?

[Transcript] My First Million / We Hosted A "Shark Tank" For Tech Startups | My First Million Demo Day

Yeah, so growth has actually been very good because we're getting organic users are not paying anything for these users, the pie is growing on itself.

How could you say that you have 200 active users?

How could you say growth is very good?

Like, I don't know.

Yeah.

So the reason why it's good is because we spend basically no money acquiring them, right?

So we're getting two companies.

As I was saying, I have, you know, I have, I have so many friends, I have three friends, but I don't go out.

So it's no problem.

You know, it's like, well, my muscles are really good for not working out.

Yeah, exactly.

I can do two reps, but I never work out.

He's like, well, the point was to have really strong muscles.

The point for you is to have a lot of customers.

Maybe you should be spending to get more customers, right?

Yeah.

So where we're at now is like, we're onboarding customers, like I said, that are coming in and then as far in terms of revenue, it trickles in a bit later when it's a fintech solution, right?

So that, that's, that might be a concern for an investor, but our investors are aligned with us.

Like if we were to turn on SaaS fees today, right, would make like I around four to \$500,000 in ARR, but we're purposefully keeping them low.

So when they subcontract, there's no barrier to entry.

And then we monetize the financial layer.

And so because of that, it basically we're prioritizing growth over immediate revenue right at this moment.

And so that's our strategy again, and our investors are aligned with it.

I would argue.

You're basically saying, we're not charging because we don't want to have a barrier to entry yet.

Any business that doesn't charge is going to get that benefit.

But then you should see awesome growth, right?

And so that's, that's, that would be the counter argument, the counter argument would be, okay, you've sacrificed 400, 500,000 in revenue, like you're saying.

And what have you gotten in return is some of, you know, 200 active 500 total registered users.

If you had just spent, just charged and actually had 400,000 in revenue, you could go, if you had spent that money on advertising, you could probably have, you know, 10 times more users.

So I don't know, I guess for me, those parts don't add up personally because I, and I'm saying this too, just because, you know, on the show, there's a lot of people listening

[Transcript] My First Million / We Hosted A "Shark Tank" For Tech Startups | My First Million Demo Day

and so they want to hear the full thought process, which is, I think in general, you want to have a capital efficient business.

It seems like you might have spent, you've raised 1.6 million to date.

Is that correct?

Yeah, so in this round already, and yeah.

Or like, okay, in the life of the company, how much money has been like burned total?

Yeah, total burn is like, we've burned about 1.8 to date.

Right.

So what I would say is, okay, if I knew nothing as much as a business, I would say here's a business that has burned 1.8 million dollars to achieve 200 customers and 50,000 of revenue this year.

That's the harsh truth about like the business now, that doesn't mean you don't invest, there might be tons of other reasons why that burn was on infrastructure, building product, building a brand, whatever.

There are other reasons, but like just sort of objectively speaking, that would be my main issue.

And I give you that feedback because maybe you can look at your model slightly.

If others share that point of view, maybe they don't, maybe they do, but if others share that point of view, then you could say, all right, the feedback from the investor market is that I need to either have an impressive user number or an impressive revenue number.

And maybe I should double down on one of those areas and do things slightly different.

The stock skies are saying we got to end this particular presentation.

Tim, we appreciate you a lot coming on.

This is awesome.

Thank you.

Yeah, Sam, Sean, thanks.

Thanks.

Thanks.

Sorry if I was too harsh, buddy.

Dude, I hate doing this because I agree with everything you say.

I hate, I don't want to rip on someone, but here's the thing.

I think the business could be great.

I think maybe there's a chance that he just kind of missed the pitch a little bit.

Yeah, that could totally be the case and or we misunderstood, right?

Because without a deck, you're trying to follow it while you're trying to read the chat, while you're trying to look for the company's metrics and you go to their website.

So it's very easy to miss things during that process.

So that might be on us.

And the other part of it is some information, the lead was buried.

When the lead is buried, I get a spidey thing goes off where I'm like, I'm nervous.

What am I nervous about here?

Now, that doesn't mean that it's always the case or that he meant to do that.

But he could have just been nervous or something because there are a lot of people watching,

[Transcript] My First Million / We Hosted A "Shark Tank" For Tech Startups | My First Million Demo Day

but the pitch was missed.

And I feel like, you know, on one hand, I'm like you, what you said was just like, dude, I hate kind of saying, you know, something not positive to an entrepreneur because I know how hard it is to be an entrepreneur and be a founder.

I don't mind doing it when it's just me and them.

Yeah, especially in this format.

But you know, if you sign up to do this, if we are signing up to do this publicly and a founder signing up to do this publicly, that's the point, right?

The point of this is it's you're putting yourself out there, there's a risk and reward with that.

I think you have to know that going in.

But I think the best thing that can happen is if you, I don't know if I'm right.

But if I was, it would be short, it would be a little pain today for a lot more benefit down the road, right?

But I think it's going to be a little pain today.

Easy.

Later.

If we just keep it easy now and say, oh, this looks really interesting.

We'd love to chat more and just balance it.

I mean, you never know what, what, why we might not want it.

You nailed it, which was answer the question why it's, it was 1.5 million or 8, 1.8 million for 200 customers and 80,000 or 160,000, whatever it was in revenue.

There is a good answer or there could be a good answer to that, which is like, dude, we're building software.

It takes forever, but once these guys get on us, they like are hooked forever and they tell their friends and like, here's what, here's how we grow and here's how the math looks like.

I just think that he kind of didn't present that wonderfully, even if the truth is good.

Right.

Right.

Right.

Okay.

So I don't know, are we doing anything else here?

No, that's it.

That's the last pitch.

Thank you to everybody who showed up.

That was, that was great.

I think there was at least two companies in there that I know I would, I'm going to follow up with.

Which ones?

Campus Inc, I thought was really interesting and the Pillpack one was really good too.

I think those are my top two.

What about for you?

[Transcript] My First Million / We Hosted A "Shark Tank" For Tech Startups | My First Million Demo Day

I think I like Campus Inc and I like the business.

What was the deal builder?

Deal builder also is a good one.

All of the valuations are fantastic.

Deal builders at 4 million.

Deal builders interesting.

Well, this last one was at 21 million.

That's why I asked him when he last raised was he raised 18 or 24 months ago when things were hot and that if your valuation is 21 million, the bar is higher on what you need to deliver.

Right.

The Pillpack guys like, ah, we got 2000, you know, he said like, we've made \$1,500 in revenue or something like that.

But he launched two months ago and he's raising at like a three or \$4 million cap.

Right.

So yeah, like the push is hard on that.

Like when I think about what I'm doing with my personal money right now, I'm like, man, I think some of these tech stocks like, or just the total index is just a little like underpriced at the moment.

And I think like there's going to be some upside.

And then I look at like a \$20 million company and I'm like, okay, this is still super high risky and it needs to have a fairly good outcome to make the risk worth it for me.

Whereas a \$4 million deal with just one guy working on it, you know, it's like, you know, that could actually survive a little bit, maybe higher likelihood of surviving it.

And the return could be great.

So down in a way, that's where I am.

This is, I love that the chat here, these people are such like, there's so many funny people and like interesting, smart people.

Yeah.

Yeah.

The chat makes it a lot of fun.

Like Henry just now just goes, he's like this, this, this page was WLD, whole lot of dogs.

Dude, I love this man.

These guys are great.

So I, I almost kind of want to have, like I do a pod every once in a while, we have a live chat.

This is actually quite good.

Yeah.

Maybe we should.

And thanks for coming out.

If people like this dogs thing, this is the second time we've done this live pitch.

If it's cool, we'll do it again.

[Transcript] My First Million / We Hosted A "Shark Tank" For Tech Startups | My First Million Demo Day

Dude, these guys stocks, like I'm biased here, but I'm impressed every time I go on their platform.

It is cool.

Isn't it?

Yeah.

It's pretty sweet.

So that's not such a pitch.

Sorry.

But it's really cool.

We're at 1.3 million of total interest was expressed.

So they really did help these companies raise money.

Pretty dope.

500 people were here kind of hanging out.

And all right.

That's it.

I feel like I can rule the world.

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