



**SPI 280**

**Noah Kagan on Personal  
Challenges, Business  
Validation, and the Mindset  
of Starting from Scratch**

**August 23, 2017**



Pat: This is The Smart Passive Income Podcast with Pat Flynn, session number 280. Noah Kagan—he's back.

Announcer: Welcome to the Smart Passive Income Podcast, where it's all about working hard now, so you can sit back and reap the benefits later. And now, your host—he once tried to change his nickname from Pat to Rick—Pat Flynn.

Pat: What's up, everybody? Pat Flynn here, and thank you so much for joining me in this session of the Smart Passive Income Podcast. I'm really excited to welcome back a special guest on the show, somebody who's been on a couple times, and each time, he's either just made a ton of noise that people are either really happy about or really upset about. But also, just . . . people start taking action whenever his voice enters this podcast, so I'm really excited to invite him back.

And we talk about a lot of things. We talk about something called the TST Method, which you can use to start something new in a very safe kind of way, especially when you're starting to validate your business ideas. And speaking of business validation, I present to Noah one of my own ideas—kind of a random one—and he kind of takes it in a different direction. But that's really important because when you have new ideas, talking about it with other people is how you should go about it at the start so that you can figure out, okay, well, this may work, or what if this might be better? And so Noah kind of takes my idea in a different direction. You'll hear about that, and we talk about even more things like imposter syndrome versus king syndrome, and of course, all of Noah's goings on as of late with all of his companies.

And if you're not listening to his podcast already, which is called Noah Kagan Presents, I highly recommend you do it because not only is he very knowledgeable, but he has access to a lot of people. A lot of really, really interesting, really smart people that he has on the show as well. So Noah Kagan Presents—you can look that up on iTunes. But before you do that, why don't we just listen to the show and check out what's going on with Noah. So here's Noah Kagan

from Noah Kagan Presents, OKDork.com, and founder of AppSumo and Sumo.com. And if you might remember from last time he was on the show, he talked about how he was actually one of the first dozen or so employees over at Facebook, and he was actually the person to come up with the status update. What? Pretty significant because I know we use that all the time. So here he is, Noah Kagan.

Noah Kagan back on the SPI Podcast. What's up, Noah? Thanks for being here, man.

Noah: What up, Pat Flynn? I'm going to name my kid Pat Flynn because he's going to be an awesome.

Pat: Why?

Noah: Because the kid will be awesome.

Pat: That would be the first name, Pat Flynn Kagan.

Noah: Pat Flynn, that's actually kind of good.

Pat: Anyway, just really happy you're back on the show, dude. Every time you come on, you just inspire a ton of people. You make us all take action. I don't know if people remember the first time you came on, you gave us all what was called the Starbucks challenge, which you had people going to Starbucks to ask for a discount, which is, like, an incredibly uncomfortable thing for a lot of people, which was the exercise, right? And I don't know if you saw the comments, Noah, but a lot of people did that, and a lot of people got rejected, but a lot of people actually succeeded.

So I want you to talk just really quick about why that kind of exercise. I know that you have a course as well, helping people start an online business, and you do a lot of these kinds of little things to sort of test us. Why are these sort of mini-challenges so important to starting a business?

Noah: Yeah. It's something . . . And I want people to buy your course

and check out your stuff. So I don't care if they check out mine, whatsoever. What I do care about is that when I started my businesses, I just started it. And then, when people were asking me how I did it, I would just show them the steps I would do. But what's shocked me is that people were actually just really afraid of starting, and what they were even more afraid of is just failure. Right? They were afraid of failure, they were afraid of reject, and ultimately it was kind of this . . . they were afraid of asking people for things. And so the Starbucks challenge was like kind of getting you comfortable with getting asking and getting rejected.

What I've been doing . . . I've been on this challenge kick in 2017, where I do challenges every week or every month. So like right now, I'm doing a 72-hour fast. So I'm not eating anything. I'm only doing caffeine and water for 72 hours. What I realized about challenges is it kind of expands how much more you can do in life. I think of it like a baby. You have two kids, so you've probably seen them crawl.

Pat: Two kids that aren't babies anymore, but yes.

Noah: They're not.

Pat: They were babies at one point.

Noah: So think about it from their perspective. They used to crawl, and they're like, "Dude, life is great crawling. I love crawling. I'm all about crawling." And then one day, they're like, "Well, let me try this walk thing," and guess what happened? I mean you know this better than I did, but they fell on their butts.

Pat: Yeah, a lot.

Noah: Right, a lot.

Pat: Yeah.

Noah: And then after some time, though, they started standing, and

they're sort of walking, and they're like, "Holy moly, I can do so much more." And that's what I've kind of experienced by trying challenges, failing or succeeding, and seeing, like . . . man, there's so much more in life, and that's why I like pushing my capacity with challenges like the Starbucks challenge or fasting challenge for 72 hours, and things like that. It just realizes how much more I can do in life.

Pat: So what are some other challenges that you've done in your life that have sort of helped you, and how have they helped you?

Noah: So one I did that I've really liked is called No Apologies challenge.

Pat: No apologies.

Noah: Yeah, and it's not about being arrogant or rude, but I started finding myself apologizing for things I've done, or like, if you have any success, a lot of us start toning it down and we just say "sorry," like as a normal vocab. And so I just tried a month of not apologizing for things that I don't think I had to apologize for, and just kind of embracing who I am. And some people may not like, it but I don't have to apologize for that. If I cut you off or do something mean, obviously I apologize, but that was a really good challenge. Another one that I love and I'd encourage everyone to do . . . I call it the 5% challenge. This one has been interesting. I got two ones I'll share.

Pat: Okay.

Noah: The 5% challenge. My friend, Tynan, from Tynan.com taught me this one. I took 5% of my money from my salary and I gave it away to either friends that I think needed it or to . . . when I'm tipping, I'll tip a lot more. The 5% challenge was amazing. I donated to all the services that I used for free but I never paid for. And so when I donate . . . Yeah, it was amazing, dude. I donated . . . Actually, this morning, I was using a torrent site, Transmission for downloading torrents, so I donated to them. I donated to NPR. I donated to Wikipedia, Planned Parenthood, Birthright, JCC, so just, like, any group that I've enjoyed their work, but I never actually donated

money. And so the 5% challenge, I challenge everyone to do it for one month. And I was like, man, I can actually give a lot more than I thought I could, and it feels really great. So that was one now I'm doing ongoing.

So I try challenges, and I'll either add them or not do them. The challenge that I'm doing now, which is kind of crappy, I'll tell ya, but it's been helping: It's my \$100 If I'm Late challenge.

Pat: Okay, so if you're late to something, what do you do with the \$100?

Noah: I ask the person where they'd like me to donate \$100.

Pat: The person who you were supposed to meet or whatever.

Noah: Yes, exactly, because I want to be exactly on time. So this morning, I was late to call, even by a minute, and I donate \$100 for his kid's college fund. Other people, I'm just like, I donate to the Andy Roddick Foundation. So I've already done \$400 in a week. I'm getting better. It's been a good challenge, and I'm like, I don't even want to be a minute late, and it's just kind of . . . you build that habit of it, and eventually it'll just always be on time. And hopefully, I won't have to keep spending hundreds of dollars each week for being late.

Pat: Yeah, I like the idea of challenges for the aspect of taking action quickly, seeing the results of it, but also a small or potentially big sort of loss if you don't follow through. And I think you're right. Over time, you just create these habits, and I know that a lot of people who have taken that Starbucks challenge, it was a big eye-opener for them. And I recommend people listen all the way through this episode because we have another challenge for you that we're going to share for you at the end. So how's that for a teaser to keep people on?

Noah: Man, that was good.

Pat: I know, right?

- Noah: What is he going to talk about? What is he going to say?
- Pat: Well, here's what we're going to talk about now. We're going to talk about starting businesses. You've started multiple. We've talked about them a lot on the show before. We even talked about Sumo Jerky, and Will It Fly?, my book, and I just thank you for being completely open and honest and up-front about all the ins and outs of that. I'm curious, what's new for you recently, and how have you been validating those businesses?
- Noah: So it's always hard. I've been studying comedians lately.
- Pat: Yeah.
- Noah: Dude, if you ever want to just learn a lot, just go watch comedians, like how they do their delivery, and what I've been studying ...
- Pat: Like, who have you been watching?
- Noah: I watch Rodney Dangerfield. I've been doing Steve Martin, Judd Apatow. Like go watch "Talking Funny," if you want an amazing video about business and comedy. "Talking Funny" was with Seinfeld, Chris Rock, Louis C.K., and then Ricky Gervais.
- Pat: Then, what are you studying? What are you . . . I mean, because you can watch them and just laugh, right? But what's your approach when you go and watch comedians?
- Noah: Well, for the comedians specifically, I'm trying to understand why it's funny because I want to do . . . I started a podcast, which I've been focusing on, and I've been starting a YouTube channel. And so I want to figure out . . . like, these guys have already done it, so how do I then replicate what's working for them? What are the elements of their comedy? What are the elements of their delivery? And the same thing with, like, even podcasts. I've been studying NPR. That's the most popular, so why don't we just learn from the most popular?
- The thing with the comedians, which has been interesting, is two

things that I've noticed that are really fascinating for me. Number one—and this relates to starting a business—number one, it takes a lot longer than we think it's going to take. Like, you've been doing your show how long now?

Pat: Gosh, four, almost eight years.

Noah: Only eight years, Pat, overnight.

Pat: Totally.

Noah: I think everyone does it for a month, but if you just want success, all you have to do is do it for eight years, and you could be where Pat is or way beyond where Pat and I are, and I encourage everyone. But that's something with the comedians. So with Steve Martin's biography, which is great, he did it for like 15 years without any recognition.

Pat: That's crazy.

Noah: We only see him on Saturday Night Live, like it's "Two Wild and Crazy Guys." But that was, number one . . . that I thought was really fascinating with starting a business because I was like, man, yeah, I think I want . . . Like my YouTube channel that I started, I want, like, 10,000 views every show, or my podcast, I want every episode to have, like, 100,000 downloads. It's slow and it's hard, and that's actually what it takes to finally, eventually, get that success. That's what the comedians have. It's what all the successful companies . . . It takes a long time.

And the second thing that they did, which was fascinating, related to business stuff, is that they keep iterating. They keep improving. It's like with you. You're like, man, people keep asking me how I'm doing my podcasts or how I started my businesses, and you're like, well, eventually . . . Let me just put out a course. Right? And that's probably when you started the podcast. Did you ever think that's what you'd be doing?



Pat: Uh, no, but people started asking for it. For me, initially, I just wanted to figure it all out on my own. And of course, while doing that, you pick up a lot of things that can be really useful for other people too. But it wasn't . . . The course came seven to eight years after I started. Like you said, it's sort of an iterative process. I'm growing each time. Each time, I'm taking new steps and creating new goals for myself. Initially, it's sort of . . . figure it out, and then it's sort of just, okay, survive, and then it's sort of thrive after that. Go ahead.

Noah: Well, I was curious. How has your vision changed from when you started the show to where it is now?

Pat: Gosh. Well, I've grown a lot internally, mostly from scrappy entrepreneur to now as CEO. I'm taking more of a business approach to what I do, while at the same time, making sure I don't remove myself from the connections that I have with my audience. I mean that's the one thing that the podcast, more than anything, has shown me is just its ability to, on a scaled level, build these real relationships with people to a point now where I go to conferences and people are talking to me like we've been friends for years. But then, I don't even know their name.

It's a really cool thing that a podcast can do for you. And then with that connection you have with your audience, you can go any which way you want. It just depends on the crossover between what you're passionate about versus what people are asking about, and that's where the sweet spot is, in my opinion.

Noah: So how has that changed? I thought that was really fascinating how you changed, discuss being, like, a scrappy bootstrapper to a CEO. One of my best friends, Andrew, actually, he kind of commented on that on me. Like have you seen the movie Moneyball?

Pat: Mm-hmm, mm-hmm (affirmative).

Noah: A great movie. And he said, "Noah, I know you were a bootstrapper. The same as you. We've been doing this seven years with AppSumo.com and Sumo.com. In the beginning, you're

bootstrapping. You're not trying to spend a bunch of money. You're trying to, like, 'How do I be cheap?'" And like Moneyball, like, how do I get the Oakland A's to win? But what he commented on, which I thought was really fascinating and I've never thought of it or heard of it before . . . He was like, "Noah, do you want to be the Yankees or do you want to be the Oakland A's?" And I was like, "What do you mean?" He was like, "The Oakland A's, they're the great value. It's like we're the scrappy thing. But who's winning championships?" And I'm like, "Well, the Yankees." He was like, well . . . And I think it's kind of a maturity thing in business, where you start off with like, all right, how do I be as scrappy as possible? But there is that growth to CEO, and to, like, how do we actually whatever it is to win for each person? So I guess, how have you transitioned?

Pat:

Yeah, I mean for me, it's . . . on the surface, it might be like, "Wow, Pat's spent a lot more money on his team and getting help for his stuff." But me, I think of it as being smart with where I put my time and money. That's where I've gotten really smart and what the big change has been.

So three years ago, I decided to hire somebody to help me create a podcast called AskPat, and that's something that I would have never imagined doing. Hiring somebody to actually do most of the legwork for me, and then I transitioned from SPI, everything, doing it myself, to now, the only thing I have to do is record these podcast episodes, like we're doing right now. The rest of it's all taken care of.

So I'm spending a lot more money, but I feel like I know now where my time should be spent, and it's spent doing the things that only I can do and should be doing, just like these conversations we're having right now with the sort of bigger level course planning and things like that, that can serve more people. So that's where I feel the biggest change has been. And along those same lines, it's just getting comfortable with letting other people help me, getting comfortable with spending more money and putting it back into the business, which you know I was always . . . coming from that startup, sort of bootstrapped mindset where save every penny. But now, I'm like, okay, where else can I spend money to help me even more now?

Noah: You know, it's funny—I think everyone knows that. It's kind of like this thing, like, "Hire great people." No one ever thinks, "Let me hire crappy people." But then, how does someone actually that's listening get that? How did you start changing your mindset towards that? I think that's what I'm curious . . . Like do you try it out and be like, "Well, let me invest here or do that?"

Pat: Yeah, I mean it was a small . . . It was sort of dip my toe in the pool first to kind of get a feel for it, and then kind of ease my way into it more. Now, I'm like cannon-balling into the pool of getting help. But at first, it's slow because it is a transition. It is more of a mindset transition, more than anything, and I think with hiring out and spending more money on your business, I mean you can do it small and see results from it. And then what happened after I did that, I started to get addicted to the results that were happening from hiring out and getting helping, and spending money on my business. And now, I'm looking for new ways to do it. Now, with these courses that I have coming out, I'm going to be investing a lot more into advertising and things like that. It's always changing, and so the big question is, a year from now, two years from now, how else am I going to grow? It's kind of mind-boggling to consider how far I've come but also how far I can go still.

Noah: Yeah. It's so interesting you say that. As I've been doing more on, like, OkDork and my podcast and YouTube, I've started realizing that in terms of no apologizing . . . like, let me embrace what I'm the best at. And I think it's great what you're saying. I want to reiterate it: Like, what am I the best at? I'm like . . . I think I'm pretty good at conversations like this or writing about marketing or doing marketing, or starting businesses. Let me spend all of my time in that, and everything else, let me try to find the person who is the best in the world at those other things.

So like on OkDork, I work with this guy, David, and he's an amazing organizer. He loves organizing, and I'm like, "David, you like this? Is that what you actually like?" He's like, "Oh, I love it." And I'm like, "Yeah, great. You do that all day and let me go focus on what I'm great, all day."

The second thing that . . . I don't know if you're doing a lot of this, and I used to kind of be against this. But in school, we always have teachers. And then as we finish college or whatever education, you stop having teachers. You're like, "Oh yeah," and you kind of let that go. And so I've been on this rampage in just every aspect of my life that I'm trying to improve, like, how do I find an expert?

Pat: Yes, I've been doing the same thing. That's another thing. I'm glad you pointed that out.

Noah: Yeah, coaches.

Pat: Coaches, trainers. I've been getting a lot more education from going to conferences and actually sitting in on the panels and talks versus just sort of being in the hallways, and going there purposefully to learn and grow. And I think it's funny how in the beginning, you learn from others and then you kind of walk away from that, right?

Noah: Totally.

Pat: Because you've got it all figured out but then all of a sudden, you realize how important it is again, and then you spend even more money doing it. I mean I'm going to mastermind retreats and all these things because I don't know everything, but there's so much more to learn, and what best way to do it than to find somebody who's done it already and just learn directly from them, instead of what we did in the beginning, which was, okay, let me look on YouTube. Let me kind of try to figure this out on my own.

Noah: Yeah, I'll read blog posts.

Pat: Yeah, right? Which is important, I mean . . .

Noah: It's a good way to start.

Pat: Right, exactly. Just like when you're starting a business, you're going to have to bootstrap. You're going to have to do these things on your own, which I recommend doing even before you hire out

so that you know the process. You know how you want it done, and then you can find other people to do it for you. So anyway, let's get back into sort of what you're up to.

Noah: Yeah.

Pat: . . . And some of the interesting things that you've been working on and how you've been validating those concepts. I think that's . . .

Noah: Totally.

Pat: . . . Something everybody's always interested in. And also, just a lot of tactics around those things, and I'm sure people would love to hear.

Noah: Sure. Well, one of them is related to coaches. So I started Noah Kagan Presents podcast recently, and what I did is I went out to NPR and I found all the producers because I don't know how to do any of this stuff, and I'm just kind of goofing around. So hit up all their producers and I was like, "Hey, can I pay you for an hour of consulting?" And one of the producers of one of their top shows was like, "Sure, it's like \$175 an hour, which is a lot of money." But I'm like, well, if I can spend five hours to learn all the stuff they're doing at NPR, and I can then do that for my shows forever, that'll be compounding for the next 10, 20 years.

Pat: Totally.

Noah: So I've been experimenting with that. In terms of starting businesses and things for your audience, I'll tell you we can do one that I started, which was for fun with a gum company.

Pat: Gum, like chewing gum?

Noah: Chewing gum. I love gum. I don't know. Are you a big gum chewer?

Pat: I can chew gum.

Noah: You know how to chew gum.

Pat: I chew gum a lot when I'm nervous. It's sort of my go-to when I'm nervous.

Noah: Really?

Pat: Yeah.

Noah: So if I ever see you chewing gum in a poker game, I'm like okay, go all in.

Pat: That's my tell. Yeah, exactly.

Noah: So I think for people starting businesses, one of my favorite things is just solve your own problems, and everyone's got problems. It's just about being aware of it. And so I went to a store, and I noticed that they didn't have any new flavors of my Trident Layers, which is my favorite brand. And so I was like, well, why don't I just try to make my own gum, and I can have as many new flavors as I want? And so the first flavor that we thought of was a caffeinated coffee-flavored gum. I was like, okay, that would be kind of cool. And so I think, exactly to your course and my preferences as well, to start a business, I always try to say, are there customers? And it's so much easier to sit behind a computer. And I actually did this too, where you just sit behind a computer and you kind of play around and you build it. And then you're like, well, I guess I have to go find people now.

So I, on the flip side, just emailed a few friends who like coffee and I was like, hey, I'm going to do coffee gum. It'll have caffeine in it. You want to buy some? It's \$10. And so I got three people to give me money, and I was like, okay. Okay, I guess I'll go make gum for them and for me. And so what I did is I actually just hit up a friend who is a good cook and I said, hey, can you just figure out how to make this? I'll pay you \$100, because she's actually great in the kitchen and she would figure it out. And so what she did, which was very clever—I was really impressed with it—there's gum kits on Amazon. So she went to Amazon and bought a "how to make gum" kit from Glee Gum. She took that, added coffee and caffeine powder, and she gave me like I don't know, 50 pieces or whatever, wrapped in a

parchment paper, and I had my first V1 of Sumo Gum.

So it was a very good process. It was good to stay sharp. I think sometimes, as we start growing and doing higher level things, like as you were saying, you kind of stay away from the trenches. And so it was nice to remind myself, like, all right, you've got to get out there. You've got to ask people. And then when I gave them gum, a lot of people were like, hey, this sucks, and here's why it sucks. And then the V2 version. I had her go back and change it. It was too big. It was too bitter, so we made it sweeter. We made the pieces smaller, and then they were like, "This is great," and so it was kind of a good experiment to go back and practice just making something.

Pat: Yeah, that's cool. That's kind of what I'm doing right now. I'm creating a physical product. I don't know if you knew this, but it's going to be sort of a calendar workbook that's related to a specific goal that people have. We're working with a beta group and giving them access to really rough versions of what this calendar and this workbook will be, but we're getting a ton of great feedback already from people who are saying, "This doesn't work," or, "I didn't get this," or, "Make this bigger." Like you said, you can only know what to do when you get people through it, and I think that's where a lot of people struggle. They feel like they have to build the business first, whether it's courses and they create the whole course first before selling into it, or like you said, a physical product. You just simply email people and ask. Now, what would you have done if you had sent those emails out and you got nobody responding?

Noah: So I'd probably do a few things. One, the first thing I would do is like, "Hey, do you chew gum at all?"

Pat: Okay.

Noah: Because if they're not actually even chewing gum . . . These people drink coffee. I know that it's like my business partner, who drinks coffee. If they didn't chew any gum, it doesn't make a difference. You can't convince someone to go to the gym that doesn't want to lose weight or get in shape.

Secondly, then, what I do a lot of times is every time you get a rejection, there's two opportunities there. One, what is something that they eat often? Like do you eat jerky? What else do you spend money on your snacks? So you can find something else that they actually would buy. And I think a lot of times when people get rejected, they're like okay, thanks, bye. Rejection for me is awesome. I'm like, okay, what are you spending money on? Because everyone is spending money—it's just you're not important enough, so that's number one.

Number two . . . and I do this with recruiting. We still do this to this day. It's actually . . . we hired a lot of people at Sumo. I asked for a referral. So if it's like, "Hey, do you chew gum?" They're like, "No, I don't chew gum." I'm like, "Well, who's one person you know that chews gum?" So I do this with recruiting just as much at Sumo.com too. So our recruiter, I actually was trying to hire someone, and they're like, "Hey, I'm not leaving my job yet." And I said, "Well, if you had to hire a recruiter, who's the first person you'd hire?" And they said Samantha, and so I hit up Samantha and said, "Hey, this person told me to hire you." And now, Samantha works here.

Pat: That's cool.

Noah: That's actually how we've hired a few people, where any time you get a rejection, it's an opportunity to find out something they would buy or find someone that they can refer you to. So those are kind of the two things. I had a similar thing I started that might be interesting for your audience: recruiting software.

Pat: Okay. Tell me about how this idea came about.

Noah: So another problem we have with Sumo.com is recruiting—it sucks. It's hard. It's like finding a significant other. It takes a lot of time and a lot of patience.

Pat: So you built software to help you find . . . So you could repurpose this to find a significant other, essentially is what you're saying?



Noah: Yes, Pat, exactly. I want to come back to your journal thing. But the thing that was interesting with the recruiting software—and I don't want to spend too much time, unless you're interested—but the short part of it is I needed to solve it, so I thought, how can import all my contacts and then make referral recruiting easier? And that's what it did. It was like . . . it can pull in my Twitter. It can pull in my LinkedIn. It can pull in my Facebook. And then, you can just search for it, and so everyone at our company could do it too, and then we have this massive referral network.

But the biggest takeaway from that experience so far, and I'm still working on it, is I'm not actually trying to validate it as a business yet. But I started realizing to myself, if I wanted to . . . It's so much easier to keep building the software, thinking that's what people need. It was such an interesting realization, like, oh, this why people keep building stuff without ever selling it, because it's safer. Because I was just at home. I'm like, oh, I need this feature, and they're not going to want it until they have this feature, and they're not going to want it until I add this feature. If I really wanted to sell it as a product, I actually can't just sit behind my computer, and that was such an amazing reminder. Like I have to get out there and actually talk to the customer and talk to the potential buyer ahead of time.

Pat: So are you at that point where you're doing that right now?

Noah: So I'm not there yet. I don't want to keep building, but if I were to make this . . . I don't know if I'm actually going to sell this externally or we'll just keep it internally, but here's the exact thing I would do. It's from Chet Holmes called the "Dream 100" list.

So this is a product for people that have companies that have at least 10 people working there, 10 employees. So I would go through my LinkedIn and just search everyone in my contacts, and then see which other companies have more than 10 people, and just put it in a spreadsheet.

Pat: Okay.

Noah: And now I have my customer list, my “Dream 100” of people that I should go and sell this to. And I can contact them if I wanted to make a business out of it and say, “Hey, I’m working on recruiting software. I see that you’re hiring.” I’d check their jobs page to see if they are and then see if I can sell that to them for recruiting software.

Pat: Cool. So what’s that reach out? I mean it’s just email or through LinkedIn, you said?

Noah: Yeah, I think email is weak. I think if you’re actually serious about your business, one, it’s going to take a long time. Two, you’re going to persist a long time. But three, you’ve got to be really proactive, and I think email and just posting on Facebook is good, but I think that’s step two. It’s almost too reactive for me. I like to be very proactive. So when I did Sumo Jerky or even Sumo Gum, I texted or I called or I did it in person. I think a lot of people are kind of . . . it’s easier to just send an email and be like, well, let me just hope and wait for that email to come back. Instead, I want to find out those results quickly.

So I would just text Pat. Hey, Pat. You like gum? No. Okay. Pat, who do you know that likes gum? This person. Call ‘em up. Hey, do you like gum? No. And then, you kind of keep going through that process, and you’re going to move a lot quicker because I think you said something that . . . Like now that I’m 35, I just turned 35, I’ll never be 25 again. And as I’ve gotten older, I’m like, holy crap, time really isn’t coming back, and I don’t want to waste any of it, and that’s why also I want to spend money to save time.

Pat: Right.

Noah: As you’re starting to do with your business. And so that’s why I’m trying to . . . Like for people and myself, how do I iterate through this stuff as quickly as possible to find the answer so I can move forward and not waste time with it? Because I’ve done that a lot in my history.

Pat: Yeah. Let me pitch you a business idea that I’ve been thinking about a long time, and this is one that I haven’t shared with

anybody, and I was kind of saving it for you because I wanted to get your initial reaction.

Noah: Wow.

Pat: I wanted to see . . . not just pitch it to you to see if this is something you'd be interested in, but how would a person like me, or anybody, take this idea and validate it, and put it through the test. So here's the pain. So the pain is . . . go on a trip, conference, or whatever, and it's a couple days long, and I'm in my hotel room. I'm about ready to leave and just my stuff is everywhere, and I have to pack, and I'm just, like, already tired because I was out the night before networking. The last time I want to do is pack, right? But I know I have to either wake up early because I have to spend time to pack before I go to the airport or cut out from that networking event early because I have to pack and I prep the night before, or whatever.

Here's the solution. I just . . . as the guest of the hotel, simply leave. Like I leave all my stuff there. I'm just headed to the airport with what I need. Somebody comes in and packs everything for me. Goes through every nook and cranny in the hotel room just to make sure everything's found, and then either the day after I come home, my stuff arrives at my door, or maybe it's even there before I . . . everything there, and it's just ready for me when I come to the door. But it's a service to help one pack after a trip, and so I don't have to worry about it.

Noah: Is packing before the trip an issue?

Pat: No.

Noah: Why is that?

Pat: Because it's in my own home and I'm excited about the trip. I'm figuring out what to wear, you know, all those kinds of things. But after, it's just like, I just want to put everything in here and just leave, and I don't even want to do that.

Noah: Okay, so I like this. So one thing I just want to highlight as a caveat

for everyone listening: Not every business idea works.

Pat: Okay.

Noah: I think . . . No, no, no. I'm not hating on it. Here's the thing: People email me, and I love this. This is my favorite thing. People are like, "Hey, Noah. What do you think of this idea?" I think we should explore this one. But people email me like, "Hey, what do you think of this idea?" I'm like, go ask a customer.

Pat: Yeah.

Noah: Go ask someone who would actually buy it and see if they want, and if they won't, perfect. Now you can find something they do want. So what was the last conference you went to or the last time you traveled that you wanted this?

Pat: It was . . . Let's see. I was at an event. There's been a bunch of events. Well, a couple events that I went to recently were in San Diego, so I had to stay at home. Before that, there was an event in . . . Gosh, I'm trying to remember where it was. I don't remember exactly but I do remember just wanting to just . . . Wishing there was somebody that could come in and pack for me.

Noah: Okay, so where's the next time this is going to happen for you? Because what I would suggest is that like maybe one of your listeners . . . I don't know if they're in that city . . . they could actually offer the service or find someone to do the service. So where's the next time that you might have this?

Pat: So I will be in Anaheim for Podcast Movement. That's one that I know that's coming up in August.

Noah: Okay. And how much do you want to pay to have someone just get your bag home?

Pat: I would pay \$50 to \$100 just to have it done for me.

Noah: I think that's a great question, whether someone out there will do

it. And the thing I think people kind of overthink is, like, how do I get more people? Just focus on one at a time. If this would work, I would put it out there and be like, “Hey, I’m going here. Is anyone willing to do this?”

Pat: Well, what if I did it the other way? Where I will be the person who packs and does all that stuff or somebody else? Just to kind of see if they would even say yes to it, first.

Noah: So you have the idea of how do you actually get a customer.

Pat: Right. So I would just go to a friend or I would go on Facebook, Twitter, or whatever, and say, “Hey, anybody going on a trip? Anyone coming to San Diego? Trying to make it easy for myself. So anybody coming to San Diego soon, let me pack your bag and send it back home to you, so that you don’t have to pack on your way out.”

Noah: All right. So I’m going to do two suggestions, is that cool?

Pat: Yeah, yeah, please. This is . . .

Noah: I always think it’s good to ask people for feedback before you give ‘em something. So the first thing you could do is actually a lot of times in most conferences, they have a Facebook page. So like Social Media World, where we’ve gone, or any of these ones, FinCon, they have a Facebook group. Be like, “Hey, guys. I know you’re coming. I’m offering this service. Does anyone want it?” You can actually post it right away in the group, even before you go, and actually see if there’s demand. I actually have a . . .

So to my earlier point, if someone doesn’t want it, great. What do they want? So I have a different problem, Pat. I haven’t actually shared this idea out there outside yet either.

Pat: Okay.

Noah: My biggest problem is actually the packing.

Pat: Okay.

- Noah: I'd actually pay for . . . I don't want them to come over and put the clothes in. That's not a big enough problem for me, but I want packing lists. So meaning, like . . . I went to Puerto Rico on a work-cation with my buddy, and it was a little stressful to have to think about, like, what do I actually need to bring? Like, okay, what's the weather going to be like? I want to put it all in a backpack. So I would pay \$5, no problem, \$5 all day long. It's like, "Here's your checklist, Noah. Go, just put all of these things in your bag," and it just makes it easier.
- Pat: Would you pay \$20?
- Noah: No.
- Pat: No.
- Noah: But I would use it regularly. So, like, also for camping. Like I went camping a few weeks ago and I was like, man, I really wish there was a list for clothes and items I should just bring, so I just have my checklist and it makes it easier for me to go. Because if I'm going to different places, like different weather and stuff like that, I want to have different types of things to bring. So I would gladly pay \$5 for anyone out there. You can ask me, like, "Hey, Noah, where are you going next? And I'll make your packing list."
- Pat: Okay, and that could turn potentially into a scalable distribution model for that particular packing list?
- Noah: Yeah. I think . . .
- Pat: How do you know what the business model is going to be? Is it going to be concierge service for people who are going to an event?
- Noah: Well, so now you're starting to . . . Like this is what I love about business and in general is that, Pat, exactly what you said about your podcast, like where it started eight years ago to where it is now. You would've never thought that. And I think it's good to have a vision and when you're starting, though I would say it's good to just get started, and that's where a lot of people are getting held up.

- Pat: Right.
- Noah: So when I started AppSumo, it was a software bundled deal website, right?
- Pat: Yeah.
- Noah: And now, we have 50 people working on Sumo.com, which is free marketing tools to grow your email list that work with ConvertKit, sponsored by SPI. But, so the point being, if you think about packing lists, you're like, well, that's stupid. It's like, what if you could turn that packing list into actually selling clothing? And then, what if you could turn that packing list into actually selling travel? And then, you can actually coordinate trips for people. And then, you can actually do maybe an assistance service where you're like for \$50 an hour, like, what other places are you going or doing in your week that I could actually start scheduling for you? Then, you can actually expand the offering.
- One of my favorite things in business—and I've been trying to get better at this, and I wouldn't say I'm great—is how do I just keep adding on to what's already working? If people already like AppSumo, how did we create KingSumo? And then, we created Sumo.com. It's like, how do I keep adding and working on existing customers and try to always get new, new, new things? And so I think the packing list could be a gateway. You can even give away free packing lists, and then use that to sell backpacks.
- Pat: Yeah, yeah, or suitcases or luggage or . . .
- Noah: Exactly.
- Pat: Trip itineraries or anything like that.
- Noah: That's what I was mentioning about comedians. It was really fascinating with Steve Martin. His book . . . what's great about it was that you've got to go for a long time, but you've got to keep iterating. And so what he talked about and what I like . . . Like, I made a YouTube video that I called "Focusing On Essentials," which

is just like . . . what of the things you're doing are working, and how do you do more of those, and then actually kill or cut the things that are not working? I think a lot of people might call it 80/20, and we all know it conceptually. But in almost all parts of our life and business, like even in your house, you probably spend 80% of your time in your house, like in your bedroom and in your kitchen.

Pat: Yeah.

Noah: Yeah, we get these big houses, where we have all these extra rooms we don't use. And so it's kind of like, in your business, like all right, what are the parts that people are liking? How do I just do more of that? The things they don't like, let me just do less of those things.

Pat: Yeah. Okay, let's go back to this packing thing.

Noah: Yeah.

Pat: Let's say I want to test both sides of it. So I go to any of these conference groups that maybe I'm a part of, and I just go and leave a message saying, "Hey, anybody going on a trip to anywhere, lately? I'd love to help you by creating a packing list. This is just something I want to do for people, so send me a DM."

Noah: Yeah, so one thing I would really encourage . . . I have a friend, J.R., who I love. He's one of my best friends. A lot of people don't like asking for money, and I can't do any jokes about my religion, but a lot of people just don't. Here's the best way to avoid that: Don't ask for any money. Don't do it, and just do everything for free. This is a very easy strategy. Do it for free until you get so busy, you can't do it for free anymore.

My buddy, J.R., has done this with film. He loves being a . . . He wanted to be a filmmaker, but he had a corporate job at Cisco. He has a job at Cisco, and he always wanted to make films, and so he just started going to restaurants and saying, "Hey, can I just make a free film for you that you can put on Instagram or Facebook?" And he did it for free. And now, he's getting to the point where he's so busy that they're actually like, well, hey . . . He's like, "I can



only take you if you pay me because I'm just too busy." And so with this packing list, just do it for free. Go help a bunch of people and then you can email them, "Hey, you going anywhere? Hey, are you going anywhere? I'll just keep making this packing lists," and you'll probably use the same type of list. And eventually, you'll be like, man, I'm so busy. I'll have to start selling this, and that's an easy way just to kind of get it going. Maybe people will be like, "Hey, can you help me find this stuff too?" They'll ask for additional information.

Pat: And what if, then, people don't want to pay you for it?

Noah: If people don't want to pay you for it, that's great, but you have to find out, then, what they are paying for. One of my favorite ways to see how you can actually sell something, I think in general, conceptually . . . I'm not necessarily in an abundance or scarcity mindset, but I think there's so much money in the world. There's just, like, this unlimited amount of money for you to go and make, hopefully doing something great for the world. And so you have to find, how is the person spending their day? Because how people spend their day is how they spend their time, which is their most valuable thing. You can be like, "Hey, what did you spend your whole day working on?" That's like an easy one. And then, you see what things they're spending time on, and you're like, well, I can help you with those.

Or here's another simple one, if you're trying to figure out a business: Go to someone like Pat, go to someone like me, and go to one of your friends, and be like, what's been on your to-do list for over two weeks? Anything on their to-do list over two weeks, they haven't done it. Why not? Because they're busy. Well, would they be willing to pay for you that? I think that's kind of an easy question to find things people are worth paying.

Pat: That's a good one.

Noah: It's kind of like, just . . . There's so much money out there, and ideally, it's like, why don't you do something that makes the world better instead of some affiliate site? Or create content that helps people, or create products that help people, or create a physical

product like yours. They may not want it right away, but they may want some variation of it.

Pat: Okay. I love that. I love that. So I'm curious to know of people who are listening to this right now, what your initial thoughts are of my idea, and then Noah's sort of counter-idea. I think they serve different audiences, and I think you can only know which one will work when you try, and you start asking.

Right, but let's go into the psyche a little bit. Why are people . . . We mentioned this earlier. Why are people so frightened to ask?

Noah: The easy one is rejection because it feels like . . . And that's why people . . .

Pat: Let's go deeper. Why are people afraid of rejection?

Noah: I don't think they separate the item from themselves. They think that they're a reject, they're a failure, when it's actually just the idea. And I think that's why the coffee challenge works so well, because you can actually practice being like, oh, I'm still alive.

Pat: Yeah.

Noah: Right? I still get uncomfortable. Going to try to talk to people, or . . . I've been trying new ones, like at airports. I always ask for people's newspapers, and they're like, "I'm reading it." I'm like, "Okay, is there any section you're done with?" And they're like, "Yeah, this one." I'm like, "Okay, thank you."

It's still weird to get rejected, but the more you practice it, and then you translate it to business, the more you can get kind of okay with it. So, like, one I did recently . . . I'm trying to get larger guests on my show, and so I called the agent for Daniel Tosh, and I just cold-called him. I was like, "Hey, this is Noah Kagan from Noah Kagan Presents. I'm trying to get Daniel on the show. Can he do an interview?" They were like, "Who are you?" I was like, "Oh, it's Noah Kagan, come on," and they're like, "We don't know you at all." I was like, "Well, I'd like to confirm a time to chat with Daniel," and they're like, "All right,

we'll get back to you." There wasn't a hard rejection, but you've just go to keep going and having fun with it.

I think people . . . It's easier to stand behind the computer. It's easier to sit and not actually feel like a failure, and that's why a lot of times, when people start businesses . . . this is really fascinating, what I've seen. They want to sell to everyone that they don't know.

Pat: Yeah. You know it's funny you mentioned that, and that's why everybody's paying for all this cold traffic and stuff and exposure to new people.

Noah: Yes.

Pat: Yet, they're not even focusing on the people who already know them.

Noah: Yeah. It's like because they don't want anyone that knows them to reject them because that would actually mean that they're a failure, which is not the case. Their friends are actually going to give you, probably, realistic advice right away, versus people who don't know you. So when I start a business, I'm always like, just go to your network. You have at least 500 people on LinkedIn. You have 50 people on your phone in your favorites. You have Facebook groups or whatever it is. Instead, people are like, "Well, I'll buy ads and kind of hope these random strangers want to give you money." I just don't think hope is a good business strategy.

Pat: No, no.

Noah: For you, with your book, have you noticed any fear of it, or any like . . . I guess I was curious. Two things: Like, what fear have you faced with your physical product, and what's been counterintuitive about this process? Because you've been doing a lot of digital stuff, and now you're doing physical.

Pat: Yeah. Part of the experiment was just kind of trying something new, and I haven't done anything in the physical space before, but there's been a lot of doubts going through my mind because people are so digital right now, especially with their calendars and their to-

do lists and stuff. But I feel like that's actually one of the benefits of using sort of this program that I'm putting together to help people achieve their specific goals.

The other challenge is everybody in the world now, it seems, has sort of . . . one of these journals. So what could I do to differentiate my product versus everybody else and the journals that they have? It's been a fun challenge, but having this calendar component to go along with it, plus the fact that it's specific to a very particular goal, it feels like there's nothing like it.

So when I presented this idea out to the SPI audience and said, "Hey, if anybody's interested in being part of this very rough beta group, who wants to go through this? Calendar is not even going to be designed; you're going to use stickers and stuff. Who's interested?" I had 68 people respond within a very short time period that, like, "Yes, this is what I need. This is what I want to do. I would pay for this. I would love to be a part of the group." So that was my first big sign that, okay, people are actually interested in a physical product. That was, like, my doubt-killer right there for that particular thought. There are people out there.

It's sort of like how when Elon Musk came out with the Tesla. He didn't come out with the Model 3 right away, the one that was going to be mass-produced. He came out with the super highly specialized one that pretty much told all the doubters, yeah, it can actually work, and it can be fast and faster than regular cars because that was the number one sort of doubt that people had. An electric car can't compete with a gas engine. Yes, it can, and here it is. Yes, it's really expensive, but there are a few people who said they want it. And then, he was able to then produce the Model S, and then the Model X, and now, the Model 3 is coming out. If he launched with the Model 3, the one for everybody first, it would've been a failure, I feel.

Noah:

I think it's a really good point. It's kind of like what you did with this. It's like what you do with your course onstage, when we were talking earlier. I call it the TST Method, Test Stuff Out. Which doesn't make sense, it's TSO.

- Pat: I was going to . . . Yeah.
- Noah: But TST . . . So the TST Method is basically, like, how you can do something at a smaller scale to feel comfortable going larger? So when you're trying to make a large purchase, if you're trying to marry someone, if you're trying to hire someone, if you're trying to start a business, or trying to do ads, or if you're trying to sell a journal, how can you say, "Well, let me see if a few people will buy it, or let me try it on a smaller audience, or let me spend a little bit of money to see if it'll work." And like you, you started invested in your business, and you're like, "Oh my God, this is working so great. Let me go invest a lot more."
- Pat: Right.
- Noah: I think one of my favorite examples is, does the iPhone 7 look like the iPod 1?
- Pat: No.
- Noah: Remember the scrolly wheel? It's like, no, but that's where they started, and 15 years later, now they've evolved, and they've evolved and iterated, and so forth. I think people kind of get over-consumed with how much the future is, and so that they don't actually end up starting today, which is like, that's where it all happens. You've got to get it going today.
- Pat: Yeah.
- Noah: One thing, how do you figure out how many to print, or do you just print them as people buy them?
- Pat: You print them as people buy them, or you do . . . Eventually, what's going to happen later this year is there'll be a Kickstarter campaign leading into 2018 to kind of come off the resolution sort of wave, and we'll have a certain amount that people can buy and pledge for. But yeah, these are all answers that I have to know how to answer eventually, but I'm not even caring about what the answers are now. I'm just kind of taking it step by step. I think that's another

important thing. That's a whole other element of physical products that I've never experienced before is manufacturing, the shipping component of it.

But like, when I started out in 2008, when I wrote my ebook and sold it, I knew that the first thing I had to do was just write the ebook to help people pass this architecture exam. I said, I'll figure all this stuff out later in terms of how to distribute it, right? So I think a lot of people worry about all the systems and the technology first before actually building the thing. I was lucky enough to have some pressure behind me in terms of getting laid off to just write the thing, knowing that if I had that, if I had the book, then I would do whatever it took to figure out how to sell it. Does that make sense?

Noah: Yeah. I think one thing that you said to me that was a great reminder is, like, if you have something that people have already said they wanted, it's so much easier, then, to make it and solve for that. But instead, to build it and hopefully try to find customers and hope for it, it makes it a lot more challenging.

Pat: Right, right.

Noah: One thing I'm curious . . . for you, as you've grown your business, how do you decide what you're going to do and what you're not going to do? Because 2018, to me, I'm like, wow, Pat's thinking far ahead, and I don't think all of us, including myself, are thinking ahead sometimes as we try to grow a business. So how do you decide what you're doing and not doing?

Pat: It's difficult because, like all of us entrepreneurs, we want to do everything. But I have a shoebox full of all of these different ideas with Post-It Notes all crumpled up, sometimes napkins. I get ideas all the time. That's my box for me to know that I will always have ideas, no matter what, that I won't ever run out of them. But it's also a good reminder for me knowing that I have to focus on one at a time. The way that I've been working since 2008 is I build something or I do something and I try to master it as much as possible. I begin to automate it or . . . it kind of takes a life of its own, which then opens up time for me to include other things that I

have going on. It kind of grew from the blog to the YouTube channel to then the podcast, to then now automating the podcasts, and now doing public speaking. I don't think that's something I'll ever automate, but it keeps growing.

In terms of what to do and what projects to take hold of, it's a mixture of what is most exciting to me right now. Also, what I feel would be the most helpful. And then also, what I think will just teach me because I'm always trying to learn, and I know a lot of these things I do, maybe they're not the right things to do at this right time, but I can't worry too much about that. I have to know, however, that no matter what happens, there'll always be lessons, and if it happens to be a business that works out, great. If not, still great, because I'll be able to learn from it and iterate from there and realize, okay, I don't want to do that anymore.

This physical product thing might be a complete failure. Even though it's set up and it seems like it's going to do well, I might completely bomb on it and realize that I just hate doing physical products. I hate the idea of having to ship things and store them and manufacture them and all this stuff. I won't know until I do it though. And so that's kind of, for me, what's going to teach me the most as well is a big sort of indicator in terms of what I do next.

Noah: I love it, man. I think one of the things that you said and something that I'm trying to get better at . . . I started the podcast, Noah Kagan Presents. I think what I've been trying to be even stronger at is how do I be self-aware and then learn from what's happening? I was doing the podcast. I'm like, podcasts are a lot harder than people think. I think that's one thing I've learned. And two, I realize that I actually like video more, like I like YouTube a lot more. I think we have to be self-aware about, when things are working or not working, how can I actually learn from that and then make the future better?

Pat: What have you learned from doing the podcasts so far?

Noah: Man, it is really hard. One, people care about audio quality, and I had no idea about that. I just thought, I don't know, you talk into a mic and it just works, and it's like, no. People have super expensive

mics and any background noise, people complain about.

Secondly, I understand why people do conversation or interview shows like this because when you try to do an NPR episode where's the story and narrative, and they've interviewed all these people, it's a full-time job. It's like they have 5 to 10 people on one episode that only is 20 minutes. And then, third, I would say the audience is definitely . . . they're actually . . . I think podcast people are the best people. If you listen to podcasts, you're probably a good person, but there's less of them because to listen to podcasts, it's generally a more educated person, and they're doing it during a specific time of their day. And that's been harder because YouTube and just online marketing, which I've had more experience in, you can get someone to go click and watch YouTube, that video, pretty quickly. But a podcast, download an episode and get it on their phone, and then they have to actually make time in their commute to allocate for that or make time in their gym time, and that's been a lot harder.

Pat: So in your podcasts, are you doing NPR-style episodes?

Noah: I've started to. So as I mentioned earlier, I hit up a lot of NPR producers, and I'm paying one to now start editing and giving me feedback about how I can do that. And then I'm hiring a guy who will help me with my outlines because I think what I've noticed about podcasts is you have to find your voice. Pat has his. I think you're one of the great people, and that's why people relate to you. You do it yourself, you show how you do it, and I think do it . . . You have a family, and I think that attracts a certain audience. And so I've been trying to find my voice and doing my show. And also, you have to kind of find what's fun for you. Someone said this to me, and I thought it was such a great way of putting it. It's like, how do you find something that's sustainable for yourself?

Pat: Talk more about that. What does that mean to you?

Noah: I can see stuff getting . . . I can see for myself, and I think I'm just talking about myself, it's just like . . . how do you make it sustainable so I can keep doing it? I think you can make certain episodes . . . Like for me, I've realized, like conversation episodes, where I can



chat with you or like I just did one with Mike Posner, who's a friend of mine, and he's a music artist. It was amazing to learn from him and just kind of chat with people I'm curious about. And so, it's like, how do I do episodes where I think they're interesting for the audience but also for myself, where I think anybody can do anything for a month? But then, how do I do it for 5 years or 10 years, and keep that interesting for myself? And then, you obviously evolve it. I always joke about my mom's diet. I ever tell you about my mom's watermelon diet?

Pat: No.

Noah: My mom does a watermelon diet, where she'll eat watermelons for a month, and then the next month, she goes off the rocker. She has pizza and burgers and Mexican food, and I'm like yeah, of course you are, because you just did a month of watermelon. You're hungry.

Pat: Yeah.

Noah: I think what I've seen success for myself is like, how do you make the business sustainable? How do I make doing podcasts sustainable? Or even with Sumo, one of the big . . . I don't think I've shared it with you or publicly. I've actually transitioned out of day-to-day of Sumo and focused on more high level, and why that is, is because my sustainability is from . . . I like starting things. I love it, and I'm not apologizing anymore. I'm like, that's what I'm great at and I've hired people that actually are better at sustaining and maintaining things in terms of Sumo, and they're great at growing that.

Pat: Right. Just like . . . Is it Ryan at Sumo Jerky?

Noah: Ryan took over Sumo Jerky. But at Sumo, we have Chad who runs that, or Ayman runs AppSumo, and they're doing a much better job than I ever did. But starting it, that's my sweet spot. It's hard because you do have to let go of ego, like, "I want this credit." Who cares about the credit or recognition? Let's just go do something great and put people into places, like a basketball coach. Put the center at the center, and just step out from having to always have to have . . . It's not stepping out, but it's stepping to the place where

you're actually in your sweet spot. For me, it's like, doing interviews with you or experimenting with things or doing a blog post or a YouTube video and letting Chad and the rest of the team do the parts where they're great at.

Pat: Love it. Well, everybody out there has to listen your podcast, so Noah Kagan Presents, is it?

Noah: Yeah, yeah. I just present cool people that I like talking to or, like, a different random story. My next episode next week is my biggest a-hole moment in my life.

Pat: We'll have to listen to that.

Noah: I'm kind of ashamed of it, but it was a good learning, and it's a funny story.

Pat: Yeah. Well, let's keep talking a little bit. I love having you on here. It's always an inspiration, and you just always fire people up. So we had talked earlier, and I think we should talk about this now . . . a specific challenge related to starting something that we could have people do and comment about on the blog. So of course, go back to the show notes. I'll share the link with you later. But you can get all the links and stuff for Noah's show, but we also want you to comment with something. So Noah, do you want to kind of set this up and also tell people what they're going to get as a result, or one lucky person after a certain amount of time is going to get?

Noah: Yeah. So I don't know when this episode's coming out. We'll probably let it lie for, like, two weeks? Something like that from the day it goes live.

Pat: Okay.

Noah: If you're hearing this in your earlobes right now, just go do it. Even if it's after two weeks, just go do it. That's the whole point of what I try to encourage people to do. It's like just take that action, don't wait. Use your phone. You can do all the things right now to get a business going.

A lot of people . . . one of the common things . . . and you should check out Pat's courses if you're looking for more help and extensive help, but for a lot of people, the biggest question they always have is, "I don't have an idea. I've got no business idea." You know what I mean?

Pat: Mm-hmm (affirmative).

Noah: They all say that, and so I was like, what's an idea that everyone can do? Do you know Scott Voelker from "The Amazing Seller Machine?"

Pat: Yeah, he's great. He's been on the show before.

Noah: I like Scott. I really like Scott. Scott actually was a . . . What was he? A construction worker. He started his whole business by this same idea, and I want everyone to go do this idea. Take action and put in a comment how much you sell . . . even just that you took an action. One person, and I'll tell the exact date, but one person will get a flight to come meet me and Pat to have tacos somewhere in the world. We'll fly you from wherever you are.

Pat: To like, San Diego.

Noah: Probably San Diego, yeah.

Pat: Yeah.

Noah: Somewhere where me and you are together, and we'll fly you to come have tacos with us, all expense-paid to come there. I'll pay.

Pat: Okay, cool. Thanks.

Noah: Pat can pay for the taco.

Pat: I'll pay for the tacos, yeah.

Noah: I'll pay for the flight.

Pat: We'll go to Puesto, maybe?

Noah: Dude, that shirt, by the way, gets me so much attention. People love the taco shirt.

Pat: It's so good.

Noah: Okay. We'll do Puesto. Actually, that's a great idea. So here's the business idea, and everyone can do it. You can literally do it on your podcast right now. So if you're at the gym, if you're on your commute, you can literally do this exact idea. It's called "Sell My Junk." The idea is this . . . It's something that . . . I just had this problem. So right now in my home, I have a corner of stuff that I just need to get donated or for someone to sell. It's so crazy. I had a Nest, like those little thermostat . . .

Pat: Okay.

Noah: I was just going to donate it. What's that?

Pat: I thought you meant like a bird's nest, but okay. I wouldn't be surprised though.

Noah: I do have a petrified bird's nest at home. No, I don't. But the point is that I have this pile of clothes and a nest, and I had, like, music stuff, and I have speakers. I was just going to donate it or throw it away. I told a friend, I was like, hey, can you just take it and sell it and then just give me whatever you feel like? I was, like why isn't there more of this? Everyone has . . . Even storage spaces. I don't know how people have storage spaces, unless you're traveling. I can't believe people have that much stuff that they actually need it.

So here's the idea: Text your friends, and you could even do it . . . You don't even need a friend. Go to your house. Go to your apartment. Grab all your stuff. List it on eBay, Craigslist, or Amazon, and just sell it. You're like, well no, I don't want to do this idea. Well, it's like, that is how you get started. What'll happen is you'll start selling, like . . . let's say something physical. Like Scott actually was selling photo stuff, and from that he started selling digital templates, and that's how he got, now, this large business.

And then, secondly, what you can do is . . . on your friend is . . . just text a friend. All you have to do is be like, hey, man, I'm starting a business. Can you give me all the stuff that you want donated or sold? Just put it in a pile. I'll come pick it up, sell it, and I'll give you a cut of it, and you can decide what to give 'em as a cut. But I promise you, you text, like, two of your friends on your favorites list, you'll actually get somebody who'll be like, "Yeah, I have a bunch of stuff. Just come over and grab whatever you want. You're so weird."

Pat: Yeah. I mean, I can already think of a bunch of stuff that I don't want to go through the process of listing on eBay or whatever. I can either donate it, or if somebody could take that for me and sell them, I'd happily do that.

Noah: Exactly. They come. Just put it in a corner. They take it on a box, and so you have a bunch of friends with a bunch of stuff, most of it they don't need. Don't just sell their stuff without asking them, by the way. People are like, selling Pat's stuff, they're like, "Uh." But the point is . . . being . . . that is an idea. So for anyone out there who's like, "I don't have an idea," that is a free idea for you. Just sell your stuff on eBay, Craigslist, Amazon, letgo application, whatever it is, and then just post in a comment what you did. If you don't like this idea, any idea, fine. But we want you to take action and start something. And then, leave a comment of what you've done, and we'll pick one person to fly somewhere in the world to come have a taco with us.

Pat: Okay. So within two weeks . . . let's give them three to give them a little bit of time.

Noah: Three, sure.

Pat: Some people listen to the episodes the weekend after it comes out and all that stuff. So three weeks from the date this episode comes out, you'll have time to find some new idea, whether it's this "Sell My Junk" idea or sell somebody else's junk idea, with their permission, or whatever action that you take. We're basically wanting to give you incentive to take action now, right?

- Noah: Yes.
- Pat: And one person, within that three weeks . . . is it going to be at your discretion, Noah? You'll select somebody?
- Noah: Yeah. We'll fly someone to San Diego to have a taco with us.
- Pat: Okay, or multiple tacos. I can't have just one at Puesto.
- Noah: One thing I want to say is, what about if someone already has a business? Like they're already kind of going. It's more of like, do something to start that based on what we already talked about today.
- Pat: Okay.
- Noah: So if you're already running a business, take action and leave a comment about what you're doing, based on this episode, and we'll pick one person. But the whole thing is, like, go do something.
- Pat: So basically, for those of you who have a business, what's that one thing that you knew that you need to start? Well, just do it now. That thing that you knew that was going to help your business but you've been scared of it, or whatever, and you just haven't had a reason to take action on it. Well, now is a reason because you might get tacos with me and Noah.
- Noah: I'm excited.
- Pat: Yeah, that's going to be really cool. I bet we're going to get all kinds of really cool comments and pictures and things that people have sold. Who knows what might start out of this? Maybe another Scott, sort of, related kind of story, down the road.
- Noah: It was so wild, man. I had a story just related to this where I was in my building, two weeks ago, and this guy, Mark, said hi to me. He's like, "Hey, what's up? You're Noah, aren't you?" I was like, "Yeah, hey." He's like "Oh no, I saw you on YouTube and I follow some of your stuff." His name's Mark Magneson, and he's like, "Yeah, I'm starting this business, and I've been working on it." I'm like, "Okay,

well, email me about it.”

So he emails me about it, and it’s something for developers. He emails me a life story about it, and I was like, “Well, when is it going to launch?” He’s like, “It’s going to launch in two more months.” I was like, okay. I was like, “Well, what if it had a launch by Friday? What would you do differently?” He was like, “Oh wow, that’s scary.” I was like, “Well, all right, let me challenge you. Get three customers by Friday.” His name is Mark Magneson. He came back, and he started emailing me every day. He was like, “Oh my God, I reached out and someone gave me \$100,” and then the next day, he’s like, “Someone else actually bought it for \$100. And then, I think four more days later, he actually sold his three.”

I think it was just such a powerful moment for me, where I’m like, wow, it’s so easy to just sit and build and build and build, but you have to get some validation and kind of knowing that you’re in the right direction. So now, when now he’s building it, he knows he already has people kind of wanting his product. It was just great for him to actually go do that. I’m proud because I think it’s easy to just sit behind the computer, and it’s easy to kind of just hope that things come to you. It was good for him that he took that initiative, and now, he’s getting the results.

Pat: What do you think made him take that first step to get it done quicker? I mean yes, you kind of prompted him, but what about that made him finally take action, do you think?

Noah: I think two things. I think one, it was accountability. I said, hey, go do it and then follow up with me. So I’m doing this fasting challenge today, like . . . where I’m not going to do it for 72 hours, anything eating. I actually just emailed a few people, and I posted on Twitter, like, does anyone want to do it with me? And I’ve done this before, like in January, I did a no drinking challenge. And having people with you or having someone that you can check with that will support you and challenge you and hold you to high standards was really helpful. And so even with this fasting challenge, people are already starting to email me, like, “Hey, look at this article,” and, “Hey, if you’re . . .” People are going to probably email you, like,

“Hey, if you’re struggling, we’re here. Drink tea.” So I think having Mark knowing that I was there to just listen to him and try to be supportive was really helpful.

I think the second thing is, sometimes, kind of like to the point of your courses, I think people sometimes just need a blueprint. Mark’s blueprint was, “I’ve just got to build it, and maybe I’ll put it out there, and then I need to figure out marketing.” I think a lot of times when people think they need to figure out marketing, it’s because they haven’t built something people want. So I think me actually saying, blueprint-wise, like, “Mark, why don’t you change your blueprint a little bit and see if you can actually get the customers?” Then, you can get back to the building of it and see how that goes. I think that actually kind of opened his eyes to like, oh wow, maybe there’s another way of accomplishing the same goal.

Pat: Yeah. Love it, man. Well, hopefully we’re going to get a lot of people to take action after listening to this. Again, you have three weeks. Leave a comment on what you did, any proof if possible. Noah is going to select somebody after three weeks, and we’ll fly you into San Diego, and we’ll have some tacos. It’ll be fun.

Noah: Cool.

Pat: Thanks, man.

Noah: Good excuse for me to come out.

Pat: Yeah.

Noah: Yeah.

Pat: I appreciate that, but I don’t know when you’d fly. We’d work with you and your schedule and stuff.

Noah: We’ll figure something out.

Pat: But yeah, we’ll figure it out. But Noah, dude, thank you so much for coming on and sharing all this. It’s been really inspiring. I can’t wait



to get you back on the show later, and we'll talk more ideas and see what else you've been up to.

Noah: Can you share a little bit about your course with the ideas, or do you want to? I kind of want to hear, or I want to hear.

Pat: The courses that I'm working on?

Noah: Yeah. Well, the one about starting a business and the ideas one.

Pat: Yeah. I mean this is very much based off of Will It Fly? It came about as a result of having people read the book. Even taking the free companion course, where they got that interview with you and all that stuff, people still wanted more hand-holding through the process. They're going to get that accountability through this.

So SmartFromscratch.com. Thanks, Noah, for letting me talk about this. But SmartFromScratch.com, it's a program that has a community aspect to it that walks you through the validation process of doing these things that we talked about—finding an idea and testing it in a very small sort of process that can then grow and scale as you continue to get “yes's” along the way. And if not, then you understand what needs to be fixed before you keep moving on.

It's just been great. We've had, at this current moment in time, about 600 students go through. It's super eye-opening. It's so incredible to see that they're breaking through these mostly mental challenges through the beginning stages of their business journey, and it's really what it is more than anything. I think the accountability and the community aspect of it is really what's helping drive a lot of the success of the course. We've had people go in and have their first customers already, just like you teach and just like Will It Fly? teaches. It's incredible, and I think like you said, that blueprint and that structure along with the community and the accountability is really what makes it work.

Noah: What did you have to change when you were making this course versus when you started it?

Pat: Well, I launched with a beta group, and the course wasn't even finished yet. So following the Will It Fly? sort of process, I validated it.

Noah: Will It Fly? Yeah.

Pat: Yeah. I knew it was going to fly, and then working with those students in making sure that the course was built the way it was supposed to. They gave a lot of great feedback. The founding students are some of the most important people to me because they've helped shape what the course is now today, related to the course content, both video and written, as well as how often office hours should happen and how they should be done to lessons that were missing that I didn't even know were missing until they told me they were missing. Then other ones that were sort of there and superfluous that weren't very necessary, I removed there. Really, it was a result of getting those first customers in there. They told me exactly what it needed to be before I launched it live. And then, now that it's sort of public and we go through open and close situations a few times a year. It's SmartFromScratch.com. It's been really cool.

I think more than anything, I am now more than ever confident in what I'm offering. When you start something, you're not really sure if it's going to work right. You're like, "Hmm, I wonder if this is going to work? Yes, it's validated, but let's go through and make sure it's great for people." Now, that I've had hundreds of students go through it, each and every one has sort of validated that, yeah, this is legit. And now, it's making me want to sell it more and not in a sort of aggressive way. Just people can feel the confidence that you have with what you're selling. If you aren't sure about something, how are you going to make other people sure about it? I think that's been the biggest kind of growth factor as a result of launching this course for me, personally.

Noah: Dude, I . . . You can't see my head nod in the podcast but I'm just nodding. No, totally, man. I love the . . . It's funny. I was talking with someone about imposter syndrome and then the opposite of that, which is king syndrome, which is being too overly confident. I love that idea of people are . . . I think there's a lot of people out there. Everyone's got some expertise or some skillset, everyone. Like

even if you're lazy, you can teach people how to be lazy.

The point is I loved your message there, which is just, like, go and do it, one by one, see the results, and then you can even get more confidence that you can even help more people. I think for people who are like, "I don't know if people would like this," just go do it for free. Do a beta group and charge just like Pat teaches, and then over time, you get more confident. You can actually go and do even more people and sell more of your product or your service.

Pat: Right, and that's the thing people say to themselves: "I don't know if it's going to work." Of course you don't know it's going to work—you haven't put anything out there yet. So go and see if it's going to work or not, and make changes if it doesn't. That's really what it comes down to. All the stories you've shared today are an example of that. So thank you for continuing to be a great example for all of us out there, Noah. Where can people go listen to the show and find you and all the interesting things you have going on?

Noah: Yeah, man. So the company, if you want any of the stuff that I help work at, which is Sumo.com, which is free marketing tools for your website, or AppSumo.com, which is Groupon for geeks. To check more of me out, OKDork.com is my personal blog, or in podcast world, Noah Kagan Presents.

Pat: Cool, man. Well, we'll link to all of that for everybody. Highly recommend you all subscribe to Noah and everything he does because it's fantastic. So thank you, brother. I appreciate you being here and we look forward to having you on again some time soon.

Noah: Dude, thank you so much, man. I appreciate it too.

Pat: All right. Thanks so much, Noah. I appreciate you. I know you listen to the show, and it's always a pleasure to have you on. And for everybody else out there listening, thank you for listening in. If you want to check out the show notes and all the links and the resources that were mentioned here in this episode, just head on over to [smartpassiveincome.com/session280](http://smartpassiveincome.com/session280). Again, [smartpassiveincome.com/session280](http://smartpassiveincome.com/session280).



SHOW NOTES: <http://www.smartpassiveincome.com/session280>

And again, make sure to subscribe to Noah's podcast, Noah Kagan Presents. You can find that on iTunes and all the other directories. We'll put a link to that in the show notes too. And of course, his blog, OKDork.com, and his companies AppSumo and Sumo.com. Wow, Sumo.com is a great domain name. That's awesome, guys.

Thank you so much for listening in, and I look forward to serving you in next week's episode. Until then, just keep crushing it, guys. Keep pushing forward. Keep getting uncomfortable, and like Noah says, keep taking those small steps that will help you. The TST, or what is actually the TSO Method, but anyway, keep doing that. I appreciate you guys. See you in the next one. Bye.

Announcer: Thanks for listening to the Smart Passive Income Podcast at [www.SmartPassiveIncome.com](http://www.SmartPassiveIncome.com).



SHOW NOTES: <http://www.smartpassiveincome.com/session280>

RESOURCES: [OKDork.com](http://OKDork.com)

[Noah Kagan Presents](#)

[AppSumo](#)

[Sumo.com](#)

[Smart Passive Income Podcast Episode 71: Successful Start Ups, Millions Lost and Everything In-Between—Inside the Mind of Noah Kagan from AppSumo](#)

[Validating a Product and the Story of SumoJerky with Noah Kagan – SPI TV, Ep. 38](#)

[Smart From Scratch](#)

