SPI 345

How to Build a Software Company—the Story of JungleScout with Greg Mercer

November 14th, 2018

Pat Flynn:	Some of the most interesting stories here on The Smart Passive Income Podcast are stories behind how certain software companies have come to be. We've had Clay Collins, who was introduced in Episode 78. We've had Nathan Berry on the show to talk about how he bootstrapped ConvertKit. And now today we have an amazing story behind JungleScout—that is a analytical tool . . . an analytical tool—that's kind of hard to say—for people who are doing business on Amazon. It helps you do keyword research and understand competition and potential sales, numbers for various product that are on there. And if you're doing any sort of business on Amazon, you probably want to know about it if you don't know already. And today I'm going to be interviewing and getting the origin story of this piece of software that has grown so big, and I just love the story here because of Greg's approach.
	Greg Mercer is the man behind JungleScout. We're going to talk with him today, but first let's get to the intro music.
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—barbecuing in the back yard's one of his favorite things to do—Pat Flynn!
Pat Flynn:	Hey, what's up everybody, thank you so much for joining me today in Session 345 of The Smart Passive Income Podcast. My name is Pat Flynn, here to help you make more money, save more time, and help more people too. And today we got Greg Mercer from JungleScout.com on with us today. He built an amazing piece of software that's done very well. He's grown his company quite big. And you know, software isn't for everybody, but we've heard stories here on the podcast before of people who were bloggers, solopreneurs—I've even gotten into a software a little bit and exploring that realm even more in the near future. But this is partly why I wanted Greg on, so I can be a little selfish and ask some questions that may help myself and you, as you think about how you can turn your little pains into solutions that can then be distributed through software, and profitable of course. So let's just dive right in. Here's Greg Mercer from JungleScout.com.

Hey, what's up, Greg? Thanks for joining me here on The SPI Podcast.

Greg Mercer: Pat, thank you very much for having me on. I'm excited to chat with you.

Pat Flynn: Hey, I'm super stoked to chat with you. You know, your name has come up a lot, especially when I go to conferences and everybody asks me, "Pat, have you interviewed Greg yet?" And I'm like, "I'm going to get to it." We scheduled this and then I had to reschedule so I apologize about that. Thanks for being flexible, but I'm excited to chat with you today, just kind of about everything you've built, because you've built some amazing things including JungleScout, which is where a lot of people know you from. But I'd love to take everybody back to—I know that you started kind of entrepreneurship even at a very young age when you were a kid. Can you tell us about kind of like, how you were growing up and how that's kind of led to what you've been involved with today?

Greg Mercer: Yeah, absolutely. So my whole life I've had this strong entrepreneurial spirit. Even when I was a kid my parents tell stories of me painting acorns and selling them. And when I was fourteen or fifteen years old I built this key for—do you remember GoPeds, they're like motorized scooters?

Pat Flynn: Yeah.

Greg Mercer: So I built this key that you could add on to your Moped so that you can kind of lock it up, or people couldn't start the engine if you left it out. So I was selling those and I was like fourteen or fifteen years old. My marketing plan was I went to GoPed's website—this was pretty much pre email days or not very many people were using it. So people's emails weren't listed on GoPed's website, but they had their fax numbers. So I was like fourteen years old, sitting in my parents basement sending one fax after another to all these different people advertising that I was bulk selling these keys. So that was one of my early business ventures.

So kind of like my whole life, just this entrepreneurial spirit. I went to school to be a civil engineer. I got a job in the corporate world, just hated it, and that was really when my more current entrepreneurial endeavors started. I was looking for a way out of that, and for me my original way out of that was by selling physical products on Amazon.

Pat Flynn: So physical products on Amazon. Now take me back a little bit. You were a civil engineer just kind of like how I was an architect. But when I was in architecture I loved it. I didn't know I didn't want to go in. What about the nine to five did you not really like about?

Greg Mercer: I think it had to do with my entrepreneurial spirit. I didn't like that I was working really hard for someone else. Turned out that civil engineering was a lot of just writing reports. I actually don't even like writing. So I liked the math and data and analytical side of it, but I didn't like creating the reports. At the end of the day, I was a consultant. And the clients we had were very demanding. They would send you something on Friday and like, "Hey I need this by Monday morning." It's like, "crap, what the heck." So I didn't really like that aspect of it. But probably the biggest thing for me was really I just wanted to build something for myself and I was just looking for kind of the financial and time freedom associated with being an entrepreneur.

Pat Flynn: Right. And then, so you started selling products on Amazon. Were these products that you created yourself? Or how was that structured?

Greg Mercer: So I originally was sourcing products from wholesalers mostly in kind of the health and household type category. And then shortly thereafter I learned about importing goods from China. And that was like, kind of really the game changer for me. So, by going factory direct and creating your own brands and private labeling these products, you can get the goods much cheaper. I didn't have to worry about setting up accounts with these wholesalers which proved to be a little bit difficult to do or at least difficult to get good enough pricing to be competitive on Amazon. And really the

way Amazon's structured, there's just huge advantages of being the brand owner because you get additional types on marketing options for you, you don't have to kind of share compete for the buy box with other people on there. So Amazon, just the way that the marketplace is structured, it's much different from Ebay and it really gives advantages to brand owners.

Pat Flynn: When you were a civil engineer and you discovered this world of Amazon and products and stuff, did you quit your job and then kind of go full in or did you kind of slowly step into that space?

Greg Mercer: Good question. So I slowly stepped into it. I would work all day, I would get home five, six o'clock, I would kind of eat dinner with I guess just my girlfriend at the time but now wife. And then every single night . . . people oftentimes are like, "Oh, so easy for you, Pat." Or, "So easy for you, Greg." Or whatever else. But every night after eating dinner I would drink a big cup of coffee, I would start working on my side hustles at seven o'clock, and I remember I would work until one or two A.M. pretty much every single night and then get up at six A.M. to go to the office. I did that for about a year. And then after doing that, I was making more money from kind of my side hustles than what I was at my job and that's when I was like, "Okay, it's time to quit now."

Pat Flynn: It's very similar to my story. So when I was told I was going to get let go,I wasn't let go right away from my architecture job, I was hustling to get my website up and all the things for the LEED exam. And I was really pulling that very similar, getting home from work, eating, and then just the grind with the website until two A.M. sometimes. And then just over and over and over again every single day. So I'm glad you shared that, because a lot of times we don't hear those parts of the story because we hear about Greg and JungleScout and how successful it is. But speaking of JungleScout, this is a software tool that you developed. I'm curious to know what gave you the idea for it. Obviously it does relate to Amazon for those who know what it is. But basically what is JungleScout? And what was the origin story of that?

Greg Mercer: So JungleScout is a software tool to identify profitable opportunities or good opportunities on Amazon for sellers. So if you're interesting in starting to sell on Amazon, or you're already selling on Amazon just looking to launch more products, JungleScout helps you identify which products are going to be profitable for you or a good opportunity for you to go into. So we use a number of different data points. We have kind of derived data. We've just built this system that you can search and filter through different products to find out what's in high demand with low competition on Amazon.

Pat Flynn: And when you created this, you didn't even do software development I'm assuming, or did you? And how did you even go about starting this?

Greg Mercer: No, I don't think I've told you this, Pat, but do you know actually how I found out about, or why I wanted to create software? I didn't tell you this did I?

Pat Flynn: No, I have no idea.

Greg Mercer: So, I listened to your podcast. This was probably five or six, maybe even seven years ago now. I think the guy's name was Dane Maxwell.

Pat Flynn: Yeah. Episode 46.

Greg Mercer: Wow, you have a good memory. So that was quite a while ago. And I remember listening to that episode and that was when I was just selling physical products on Amazon and thinking like, "Wow, this guy makes the whole software thing sound way easier." Like, you don't have to deal with inventory, and man this seems like a piece of cake. And that was what actually originally sparked my interest into creating a software tool.

Pat Flynn: That's pretty cool. Thank you for telling me that, I had no idea.

Greg Mercer: That is cool. So that was kind of the origin of what's now almost a 100 person company and a pretty large operation, right? It's pretty wild that you and Dane were the ones that kind of sparked that idea.

But, so I was selling physical products on Amazon, and the hardest part for me about scaling up my business was just what products to launch. So I would launch some products and it'd be like a home run and they make tons of money. Then I would launch other products and they were a failure. So I was like, "Crap, I have to kind of crack the code of what makes a successful product versus a poor product on Amazon." And back then, this was like 2012, 2013, this was pre JungleScout and before a lot of the modern tools that we have now. So people were just kind of like throwing something at the wall and seeing what stuck. There was no type of data or analytics to help people guide these decisions. If you were launching a new site back then, you could do keyword research to see what people were searching for.

On Amazon, you didn't have any way to know what was often searched for or what was being purchased or what demand was like on Amazon. And that was what was really hard for me because I was an engineer by background, like a data driven type person. And I don't like making just these like gut decisions of what I think might sell well. So I figured out a way to estimate how well every product on Amazon was selling, like how many units per month it was selling and that's what originally led to my success on Amazon because I was able to tell what was in high demand, what customers were searching for and buying, and those are the products that I ended up selling.

So I was finding these opportunities. I was like, "Holy smokes, there's only one or two sellers selling this and they're selling 10,000 units a month and no one else is selling this product." And then those were the types of opportunities that I then went into. So I originally figured that out, I was originally just doing this in Excel sheets. And I was like, "Man this seems like a great opportunity to build a software product to replace all of the grunt work required

to fill in these Excel sheets." And long story short, I then hired a developer to do it, we turned it into what was originally a very crappy junky piece of software, but it got the job done. And that was kind of like the MVP and I proved the idea by getting a few people to purchase it. And yeah, that's how it all started.

Pat Flynn: That's amazing. There's a lot of stories that are similar, in terms of somebody who was just doing the work on something and it's very manual and then created a software product to help make things a little bit easier, making things convenient for that person but also everybody else who can get involved with that. I have a little bit of experience with that with the Smart Podcast Player, but I think of using bigger players such as Clay Collins who ran a marketing show and then created Leadpages. Nathan Barry, who had ran his design and UI, UX centered blog and now is the founder of ConvertKit because there was a problem in the email space. And I'm obviously a big fan of ConvertKit now. So this is really cool. But we always hear about these success stories of people who have gone down that route, but I know that there are plenty more who have done the same thing and have thought of software ideas. [Full Disclosure: I'm a compensated advisor and an affiliate for Leadpages and ConvertKit.]

What are some of the things that you think you've done or helped to set you up for success with JungleScout, versus a lot of the others out there who maybe, not so successful stories? Why did JungleScout succeed like it did?

Greg Mercer: Yeah, that's a great question. This is something I think about a lot, like trying to crack the code. So, I think it's a combination of a number of reasons. One, the timing. I got really lucky on the timing. There is no arguing that. When JungleScout was started, this was right at the beginning of Amazon becoming an excellent opportunity for entrepreneurs and for small businesses and kind of, if you look at the Amazon stock chart, it's like JungleScout started right when it really started to take off. So a part of that was purely just luck with my timing. It just kind of, being in on it early, and no one back then

really knew that Amazon was going to be successful today as what it is. So that was part of it.

But that doesn't help the listeners of the show, so I'm going to give it some more actionable advice. I think another one of the tactics, and again this was . . . I would love to say that I was smart enough and I knew that I should have done it this way. That wasn't the case back then. But as I look back, one of the things I think really helped us was I built a very simple tool to start. It was a Chrome extension. Chrome extensions don't require a lot of development work. They're relatively easy to build. And they don't require much for server costs and whatever else. And I was charging a one time fee. And so there's a few pieces of that that I think helped lead to our success. One, by building something very simple and getting it out there and starting to collect feedback on it, that's like the best thing you can do when it comes to software. I think a lot of people try to hide in their basement for two years building this piece of software that they just know everyone's going to love. But then when they release it to the world, they realize, wait a second this doesn't quite solve a lot of people's problems or it doesn't fix much.

So it's really helpful to just build whatever bare minimal thing you can, release it to users, see if anyone will pay for it, vote with their credit cards, and then iterate on it from there. So that really helped out, that we could build, we built the initial MVP in one month. So it didn't require a lot of cash from me and we could quickly start collecting feedback from users.

The other advantage about building something that you charge a one time fee and get the cash upfront is the early years of software companies are usually very cash intensive. It's really expensive hiring good developers. Everything about it is just pretty expensive and that's why VCs and all these investors exist for these software companies. We've never taken on any investments. And I think the reason for that is if you're only charging $20, $30, $40 a month and that's just drawn out over a long period of time, in the early days when you don't have very many customers, that's not a lot of cash flow for the business. If you're charging $200 bucks up front, then

you're collecting a lot more cash right off the start so you have the cash to help reinvest in the business, hire developers, whatever else you need. Those are kind of a few of the things that I think we're . . . Again, I didn't have the . . . I can't say I was smart enough back then to realize that, but looking back I think those are a few of the things that's really helped us.

Pat Flynn: The pricing level now is a monthly recurring payment?

Greg Mercer: We still have the Chrome extension that you can buy for a one-time fee. Then the SaaS application, the web application's a monthly recurring payment. Once you get bigger, that's great, because it's a recurring revenue which is fantastic. But the problem with it is just, since it's a smaller amount of money, it's just not quite enough cash to help run these businesses in their early days.

Pat Flynn: Right. Speaking of early days, you had mentioned that you had hired a developer because you're not a developer yourself. How did you find that person? How did you vet them? How did you know that they were the right one for the job?

Greg Mercer: Yeah, so prior to JungleScout I tried to build two other just little tools like this, and they were both a huge failure. It's not in the fact that ... I didn't invest that much money. I think both of them were less than $1,000. But what I tried to do those times, I was hearing about these people hiring developers in these really low cost areas of the world. I was like, "Oh man, I'll just hire these developers for $5 an hour and they'll just build this for me and it'll be fantastic." If you had a really good technical understanding, that might work for you. But for me, without a technical background I really needed someone really smart that I could communicate with really easily and could turn my idea and my non-technical understanding into this software tool.

For this one, I did end up hiring a much higher paid developer, but I actually just found them on Upwork. Some of my learnings from that were that if you want to build a software tool you can't just have this

idea in your head and just try to write it out on email. That's just not how building software works and that's not how most developer's minds work. For this one, I actually made nice wireframes and I put together kind of lots of documentation and where you get this number from and what happens when you click that and all those types of things. Before they even began, they had a really good understanding of what this was supposed to look like, how it's supposed to work, all those types of items.

Pat Flynn: Yeah, I think that's really important. I've told this story before about how in 2010 I tried to create WordPress plugins and I took the same approach. Like, "Let's just find somebody out there really quick who can do it and I'm just going to share in email what I want to happen." It just created so much confusion and back and forth. I would get upset because they weren't building what I wanted, but how would they know, because I didn't give it to them exactly. I think wireframing, especially for developers, I mean, that's the language that they need to know exactly what to build. Whenever you leave any room for sort of customization on their end, it's hardly ever going to be exactly what you want, because that's not their role. You have to really get into the details of that. Thank you for sharing that.

I'm curious. JungleScout, in terms of the brand. It's a great brand, a great name, great logo. It's one that everybody shares now in the space and everybody uses the tool. I'm curious to know how your thoughts were when you started on the brand. Was it always called JungleScout? What made you determine that that was going to be the case? Then I'll follow up from there.

Greg Mercer: Yeah. It's always been called JungleScout. To be honest with you, I didn't put too much thought or time into it at the time. I was like, "Okay. What goes with Amazon? All right. Amazon jungle, that kind of makes sense. You're scouting for new products." The domain name was available and it, kind of within an hour I think I decided on JungleScout.

Pat Flynn: Cool.

Greg Mercer: It's always been called that. That was kind of my thinking behind it. As far as kind of building it up as a brand that people know, like, and trust, I'd be happy to share kind of the early days of marketing. Is that kind of the road you'd like to go down?

Pat Flynn: Yeah, that's where I was going to go next, so thank you.

Greg Mercer: Cool. Again, looking back, at the time I didn't have much experience with online marketing. I knew a little bit about it. I'd built some WordPress sites. I had a basic understanding of some of the paid ad channels. Just enough to be able to waste some money and learn a little bit of stuff. I built this piece of software. I sold it to a dozen people and that was proof to me that other people will actually want this and are willing to pay for it.

Pat Flynn: How did you get those dozen people?

Greg Mercer: Yeah, good question. I created a video of the first MVP and actually when I created the video half the buttons didn't even work and it was really buggy, but I kind of knew what to press so that it looked like it all worked. I was a pretty active member in a number of online communities, primarily Facebook groups. These are places that for the past year or two people probably recognized me. I was always in there providing feedback and helping others.

Pat Flynn: Cool.

Greg Mercer: This is an area that I had built up a level of credibility, but these were small groups. I just posted the video that I created in there. I created just a landing page to collect emails and I was like, "Hey guys, I built this new tool for Amazon sellers. I would love to just collect some feedback from you guys. What else would you like to see? What would you like to see me do differently? What do you wish it did? By the way, if you're interested in learning more about it, just enter your email address here and I'll send out updates."

Pat Flynn: Beautiful.

Greg Mercer: I posted that in two or three different online communities, and I think something important to note here, if you just go around spamming these communities, these posts are just going to get deleted, right? People aren't going to trust you. But since I'd built up a level of credibility and I was known as just a helpful resource in there, I think that's what kind of made it okay by them. From that, I only collected 100 email addresses, but on launch day I emailed those 100 people and I made a dozen sales. That's a pretty good conversion rate, to be honest.

Pat Flynn: That is. That is great. Okay. You get these initial 12 people. What happens next? How do you market after that?

Greg Mercer: Yeah. I was like, "Okay. Well, this isn't a very scalable marketing plan, right? I can't just fill Facebook groups full of videos all day." That's when, I think those were the toughest times for me as an entrepreneur, because I was like, "Okay. How do I scale this up from a dozen customers into 100 customers or maybe one day 1,000 customers?" I think what happened then is I would try AdWords and it wasn't really profitable, and then I tried Facebook ads and I was like, "Crap, I'm wasting a whole bunch of money there. That's not really working out." Then I forget. I tried a number of different things and I'd maybe get one sale, but it would cost me a break even ROI on the revenue generated from it. At the time, I think I was chasing a lot of shiny objects.

I tried Facebook ads for a week and that wasn't really working, so I was reading more online about how other people were acquiring customers and then I would try to jump over to the next shiny object, because when I read about it it seemed really easy. Looking back, that was kind of a mistake. But one thing that did end up working is someone who bought it, by now it was probably thirty to forty customers, had an audience. They had a training program to teach people how to sell on Amazon and they actually just asked me to come on. I didn't have an affiliate program at this point, they just asked me to come on a webinar and demonstrate how it worked and just teach their audience how I go about doing my product research on Amazon. Just from that webinar there was

only, I forget, 100 or 200 people on there or something and we had a crazy high conversion rate, like thirty to forty percent. A lot of people ended up buying this tool. That's when I was like—

Pat Flynn: Wow, so double the customers overnight.

Greg Mercer: Yeah, exactly. That's when I was like, "Okay. I need to try to get more of these." In the early days, it's kind of hard. It became a little bit easier once I created an affiliate program, but it was kind of hard for me to get out in front of these audiences. Most people with larger audiences, they're not really willing . . . At that point, I was kind of unproven, right? "Is this guy just going to be salesy and spammy, or is he actually going to provide valuable content to my audience?" It was harder, but I just . . . I was essentially dialing for dollars, right? Just contacting people however I could, just kind of promising I was going to try to provide as much value as I could. It wasn't going to be very salesy. I was just trying to help people learn these newer ways of finding products on Amazon, instead of just using kind of their gut feelings.

Pat Flynn: Awesome. That's so cool. Thank you for taking us back. How many customers do you have now?

Greg Mercer: We have over 200,000 customers.

Pat Flynn: 200,000.

Greg Mercer: Yeah. That's pretty crazy, huh?

Pat Flynn: That's incredible. Well, congratulations on the success.

Greg Mercer: Thank you.

Pat Flynn: You said you have a team of about 100 people. I'm curious to know about the team and how it expanded since you had those initial twelve customers. At that point, I'm assuming it was just you and

a developer. Who were some of your next hires, and is it just all developers, or who else is on your team helping run the show?

Greg Mercer: Sure. I think my . . . Actually, so my first . . . Besides the first developer, I then . . . I kind of forgot about this part of the story. But after I quit being an engineer, my wife and I, we sold our house and all of our stuff and we became digital nomads. Actually, for the past three years up until January I've just been nomading around the world. But the reason that made me think of that is because really, the first kind of hire, first person to join was my wife and my wife joined—she was answering customer support emails. I think I was just like, "Holy smokes, I'm so overwhelmed. People are actually buying this thing, but I still have this physical products business and I want to support these customers."

My wife at the time was just doing more of contract work, so I was like, "Hey, can you at least—" All right. I think what I originally told her was like, "Hey, can you just answer tickets for like an hour a day for me?" That pretty quickly turned into a full-time job. She was my first hire, so I guess my first person was customer support. After that, I hired two more developers and then it would've been my fourth or fifth hire was a marketing lead to help me do marketing. Because I still wasn't that good at marketing, right? I was like, "Okay. By now we've made a lot of iterations on this product. It's getting better, but we're still not doing as good of a job as we can, kind of getting the word out there about it."

Pat Flynn: For . . . Man, where was I going to go? I wanted to ask about things that you wish you knew before you got started in this. I mean, obviously things have gone well and likely you wouldn't want to change anything, but if you had to go through the process again, what's something that you would do differently, compared to how it actually went?

Greg Mercer: As far as the early days go, I wish that finding marketing influencers and their audiences was very successful for me. But if you're listening to this right now and you're in this space of not really

finding a marketing channel yet that works for you, or that you don't think works for you, I would recommend just choosing one and just focusing on it for a half of a year. Because it turns out AdWords does work well for us. Facebook ads do work well for us. We have all these different marketing channels now that work well for us. The problem back then is I was only trying to do it for a week or two or three and I was like, "Ah, this one doesn't work for us." Looking back, I wish that I kind of chose one marketing channel and just went all in on it and just became a mastery of that marketing channel, as opposed to always trying to chase the next shiny object.

Pat Flynn: It sounds like you eventually did that when you discovered that utilizing the influencers out there in the world was a great strategy for you. I'm curious to go a little bit deeper on that, because I think that's a fantastic strategy to get a little bit of know, like, and trust coming. Not from you, but from the person who's endorsing you and your product. It's hard to do that at the start though, when nobody knows who you are and it's kind of obvious that you are going to be pitching a product. Do you have any tips or strategies for how one might be able to do that in a way that's kind of legit and authentic, but also profitable?

Greg Mercer: I think they need to have the mindset of providing value first. I was very much doing that. I always have. But there's a number of kind of . . . We'll call them a more shady-type people, who do have audiences or are willing to kind of just spam them with all different types of stuff. I think those people are kind of going away nowadays, but—

Pat Flynn: Thankfully.

Greg Mercer: A few years ago ... Yeah. That really wasn't the case. But anyone that actually has a good audience that trusts them isn't willing to just have you on to kind of just sell your product really hard to the audience, right? You have to figure out a way to make 99 percent of the presentation or whatever you're doing with them very actionable and educational information. Then the last 1 percent is just like, "Oh hey, if you're interested in checking out more, go to JungleScout.com or whatever else." You just have to go into it with

that mindset of having very actionable and informative information to share, and not go into it with a sales mindset. I think that would be the biggest tip I have for people.

Pat Flynn: To expand on that, how do you know that what it is that you're providing is of value to them? Do you do any research beforehand on that audience and kind of what they might need, and how much of a rapport do you have with that person before getting to that point where you would then ask them, or do you ask them right away?

Greg Mercer: Yeah. I guess a couple questions in there. As far as having a subject or a topic that you think is actionable for that person, you could always of course ask them, but it's probably best to try to present some topics to them that you're kind of a thought leader in, or very . . . Or just have a great understanding of. For me, that's kind of Amazon, and software and those types of things. You brought up a great point there about building rapport with a person first. Yes, especially larger kind of influencers that have larger audiences— guys, if you email Pat Flynn today and say, "Hey, I want to come on your show today to tell you about X, Y, Z software or whatever else," someone like Pat's not going to have you on, right?

This is built through trust, and friendships, and recommendations, and referrals, and kind of like everything else. Yeah, it just takes time to kind of work on building and nurturing relationships with different people in the industry and just kind of, over time once people begin to realize, "Okay. Greg provides actionable content, and shows up on time, and is respectful, and I don't ever have to worry about him doing shady things, or anything else." That's when it just starts to become easier. But that just takes time and work.

Pat Flynn: What's the toughest part about running a software business like you do?

Greg Mercer: The challenges over the years have very much changed. Now, with the team approaching 100 people, it's a lot of . . . Kind of people problems and structuring problems and setting up the organization

so that everyone understands what they're responsible for and what they're graded on. I'd say those are the types of struggles that I have the most today. That's probably not as actionable for the audience listening to this right now.

Pat Flynn: You still get to know that. I mean, did you ever think it would get to this point?

Greg Mercer: Oh, not a clue, because this happened pretty fast, too. I launched JungleScout in January 2015, so it hasn't even been four years.

Pat Flynn: Wow. Yeah. That's crazy.

Greg Mercer: Yeah. In the earlier days, looking back, I think my biggest battles were actually myself and more an emotional side, I know that that sounds "Woo, woo," and whatever else. But I would just psych myself out so much when a new competitor would come into the space or something . . . The site would go down for a few hours or whatever else. I don't know. I had all these worries, and I would stress out about these things so hard that it would kill an entire day of productivity.

I think I felt like I didn't have anyone to talk to that really understood where I was at, and like in the earlier days, I think looking back those were the biggest struggles. I don't think I could have identified that at the time, but now in hindsight I have been able to.

Pat Flynn: What's a typical work day like for you now as the founder and CEO of a company with 100 team members? I'm curious to know what that's like.

Greg Mercer: Yeah. It's changed a lot because up until January of this year—so three quarters of a year ago, I was still a nomad. My wife and I were traveling around. We'd live in a different country for about a month and then move again. Those days were a little bit different. I was always working at coworking spaces. Once a month we moved to a new city. That got to be too challenging with the time zone issues.

In January of this year, I moved to Austin, Texas. We opened up an office here. A normal day for me, I typically wake up around 6:00 or 7:00. I try to work out most mornings. I'm usually into the office around 8:00 or 8:30. I still work quite a bit just 'cause I'm really passionate about it, you know. I'm usually not home until 6:30 or 7:00 at night.

It doesn't have to be that way but like I said, I really do like enjoy it. On a typical day—I a little bit hate that it's this way, but I also fully understand that it has to be. For me, it's a lot of meetings at this point. We have an executive team now. We put together a board. There's just a lot of collaboration that they need from me now as the CEO, and being the strategic thinker and getting people on the same page, and communicating to the company what we're working on, what the highest problems are and all these different types of things.

To be completely honest, I'm still most passionate about actually creating things. That's why I really enjoy doing podcasts like this and I really . . . You'll still see me on our YouTube channel and other places because I still love creating things. I still kind of wish I could like get in there and create landing pages and create other things because that brings me a lot of joy.

I have to be completely honest, it's not as enjoyable for me to be more so in the meetings and everything else. But at the end of the day, the biggest thing that I'm creating is this company, so I'm willing to do whatever is the highest impact thing for me to do, to build and to create this company.

Pat Flynn: Love it. What has it been like to switch from this sort of nomad lifestyle to now one where there is an office? Has it been a tough transition for you and your wife? Or has it been something that's just, "It's about time."

Greg Mercer: I think it was a little bit harder for my wife. She's happy in Austin, but she occasionally, it's like, "Man, I really miss nomading. Man!" She

drops those every once in a while. It's like, "Yeah, that was really fun."

Pat Flynn: But you could potentially just go on a vacation if you wanted to, right?

Greg Mercer: Totally. We've worked remotely two months out of this year, too. It's not like we're just permanently in Austin. It's definitely been a change. I was a little burnt out of nomading. We did it for three years. We lived . . . We each just had one carry-on suitcase, and we lived out of that for three years straight.

Pat Flynn: That's incredible.

Greg Mercer: A lot of flights. There was a lot of just small hassles associated with it. When you tell people they're like, "Oh, that's dumb. You were living in beautiful beaches and whatever else. I can't believe you'd be inconvenienced by that." But it was just little things like poor internet connection or just a poor workspace.

               At this point, I needed to be a very productive—just functioning at a very high level. And just little things like the internet going out or the not having just a nice desk with monitors, or even just a room like I'm in right now to record podcasts in. Those were just all the little inconveniences to me that added up to being like, "Okay, I'm ready to just settle down," and it'd be nice to like, get our own apartment instead of living in Airbnbs, and just have a nice place to work from.

Pat Flynn: That's awesome. I appreciate you spending time with us today. If you don't mind, I have just a couple more questions. I know you're a busy guy, but I appreciate you and everything you're sharing here. This is really inspiring.

Greg Mercer: Yeah, let's do it.

Pat Flynn: Some of the other questions I have are related to the future, right? And specifically, your relationship with Amazon. I know there's a lot of people listening right now who use different products, who

would love to create tools that are associated with other tools that are out there and other platforms. But it's tough because, to use JungleScout as an example, it's like a lot of what you do is based on what Amazon does and what Amazon wants other people to do and doesn't want other people to do. How do you maintain a high level of product and service when there's that big giant Amazon on the other end where they could change something up and change the algorithm or all these other things that may affect your business? How do you maintain that level of just mostly security in your mind? Just that, "Okay well, we're going to be okay. We're just gonna keep going."

Greg Mercer: Yeah. This is a really good question, actually. I agree there's a lot of opportunities out there for . . . We'll call them platform plays, like build up something, whether it's like a Shopify plugin or an Amazon tool or whatever else, right? These different things that you are reliant on this platform.

To answer your question, I don't think there's no way to ever know for sure that you're going to be 100 percent. We do meet with Amazon every once in a while, and I'd say we have a pretty good relationship with them, but they very much so—their attitude is very much so like, "Hey, we're the 800 pound gorilla. One day if we decide that we don't want tools like this, we'll do it." It's like, "Okay, that's not good."

But this has actually been a little bit of a struggle of mine and probably always is, because I'm like, "Man, we're growing really quickly, but what if Amazon doesn't do as well next year? And not as many people are selling on it?" That's kind of a concern of mine. "What if Amazon doesn't like us?" Or whatever else.

I'd say some advice I have for the listeners is, first of all, whenever you're thinking about or considering building a product like this, the most important thing I think you need to ask yourself is, "Is this beneficial to the platform that I'm building it on? Or is it kind of like a hacky type thing that if they found out about it they'd be upset?" I think that's a really important question because at the end of

the day, if you want to grow this into a large company, all of these platforms are going to find out about your tools.

Everyone at Amazon knows about JungleScout, but they like JungleScout because we're beneficial to their platform. We've a very much a symbiotic relationship in the fact that we're helping sellers spotlight gaps in their catalog. We know that they want the lowest prices, and the best selection for their customers. We're showing their sellers, "Hey, there's not . . . No one's selling fidget spinners or whatever right now. You should consider selling this item." That's very much beneficial to the Amazon platform.

If you're on the other end, and it's a product or service that is used to kind of cheat Amazon or whatever else, ultimately they're not going to like that. They have huge legal teams and other methods used to like, try to get rid of you if you really make them upset enough. I think that's like, a really important thing to always be thinking about if you're considering one of these platform plays. Is it a symbiotic relationship that's helpful, or would it be detrimental to their platform?

Pat Flynn: Yeah. Because I'm thinking of a lot of people, even people who've been on the show before like Joseph Michael, who created a program to teach people how to use Scrivener, for example. Similar thing, not software, but also information based on a software and how to use that tool better.

There's a symbiotic relationship there, which is why that works. Joseph knows the founders and they know him and it kind of . . . They're each helping each other out. But then, you got to worry sometimes, because there's companies like Ebay who want to keep everything for themselves and don't want even anybody to use their domain name or read any tools that can help, really. It can be very difficult in that space.

It's great to see that there's a great relationship there between JungleScout and Amazon and that things are going well. Obviously, you guys have been around for a while and you're helping them

out and they're helping you out and everybody's happy in the end, which I think is what matters most.

Greg Mercer: Yeah.

Pat Flynn: Cool, man. Well, thank you so much for your time today. Where should people go to check out . . . Obviously JungleScout.com. Is there any place where people can learn more about you and what you got going on?

Greg Mercer: The best place is really just the JungleScout blog. Right now, we're in the middle of a pretty cool case study that's totally free. It's called The Million Dollar Case Study, where we're publicly and transparently growing a physical products business to a million dollars in revenue and we're actually . . . Pat, I know you're a big fan of Pencils of Promise as well, or I think an advisor. We're donating all the profits from that case study and the products we sell on Amazon to build schools in impoverished countries around the world through Pencils of Promise.

It's pretty cool. We've already donated enough money to build two schools and there's gonna be a lot more in the future. I guess more importantly, for you guys, it's just like really high, very valuable content totally for free. There's no cost to it. Yeah, you can check that out if you're interested.

Pat Flynn: Dude, I love that. I'm all about that. So JungleScout.com, you can check out the blog there and The Million Dollar Case Study. I love things like that. Traditionally, on the blog here, we've done very similar things. Dude, thank you so much. I appreciate you, Greg, and good luck, and we'll talk soon.

Greg Mercer: Thanks, Pat. Bye.

Pat Flynn: Wow, what an amazing interview. Greg, I know you listen to the show. Thank you so much for your time and your wisdom, and I know that people are inspired after listening to this. We're also going to link to some of the other amazing software-related

interviews we've done in the past in the show notes. By the way, if you want to go to the show notes, all you have to do is go to SmartPassiveIncome.com/session345. Once again, SmartPassiveIncome.com/session345.

JungleScout.com is where you want to go. You can check out the blog there and check out their Million Dollar Case Study, which is super cool. I love that they're helping out with an organization that I'm also an advisor for, which is Pencils of Promise, helping build schools around the world.

Just on that note, big shout out to everybody who has supported me in the past with the campaigns that I've run. We've also built a couple schools in Ghana, and we've helped out around the world too. I'm just very, very, very thankful to be a part of that organization, Pencils of Promise, and a big shout out to Susie Harrison there, who's the one who's keeping everything in check for a lot of the influencers out there that are helping to grow that organization and more importantly, help kids around the world to get educated. A little plug for Pencils of Promise there.

But again, JungleScout.com is where you want to go. Thank you so much for listening in. Show notes are available at SmartPassiveIncome.com/session345. Guys, just keep going. Keep crushing it. You guys are amazing. Hit subscribe if you haven't already, and I'll see you the next episode. Cheers.

Announcer: Thanks for listening to The Smart Passive Income Podcast at www. SmartPassiveIncome.com!

RESOURCES:

Session 78 of The Smart Passive Income Podcast

Session 46 of The Smart Passive Income Podcast

Smart Podcast Player

Leadpages

ConvertKit

JungleScout on YouTube

JungleScout's blog

Pencils of Promise

*[*Full Disclosure: As an affiliate, I receive compensation if you purchase through these links.]*