

Andy: Welcome everyone. This is Andy with another episode of the Starting from Nothing Podcast and today I have with me Daniel Himel. Dan is the founder of Trainium, a social platform that helps endurance and triathlon coaches build an online community allowing them to work with their clients all over the world. Prior to becoming an entrepreneur Dan worked in Corporate America and he left the man in 2009 to focus full time in his side gig and turn it into something huge. Here's what I'm really excited about and why I think Dan's really special, especially for this podcast is because many times I get people saying how am I supposed to find time to build a business. I'm already working 40, 50, 60 hours a week. But Dan not only had a full time job, but he also had a wife and four kids at home to support. If you are in any sort of similar situation where you have a lot of demands in your time and you have a lot of people counting on you, this interview is going to be incredible for you because Dan's going to show you exactly how he made the transition from working in Corporate America to running his own gig. Dan, welcome to the show. Daniel: Thank you. I'm

pumped to be here. Andy: I'm so stoked that you're here. Dan's also a ... in full disclosure, he is a mentor in The Foundation that's helped numerous of our ... a lot of our students get through the process of hiring developers. A lot of people I know reached out to you in the past year. Dan, how old were you when you first started your business? Or when you started your first business I should say.

Daniel: My first business outside Corporate America as a side gig was, I guess I was 35-ish.

Andy: Thirty five.

Daniel: Yeah.

Andy: Really?

Daniel: Yeah.

Andy: What was the business?

Daniel: My very first business that kind of ... it was not all

internet, it was half internet, half service where we ... it's kind of a unique concept where we matched up. If you ever had to search for a babysitter in a new area, it's difficult. It's hard to find somebody that you trust. And even if somebody refers them to you, it doesn't mean it's always a good match. So we invented this thing where the moms and babysitters would kind of speed date at an event. They would go through ... just like speed date where they'd ask certain questions and move on down the line.

If the mom said "Hey, I like babysitter ten," and babysitter ten said "Hey, I like mom ten," we would hook them up together online and then they would negotiate their rates and all that stuff. Because sometimes babysitters don't want to work for a family and it puts them in uncomfortable situation when they are at the door saying, "Oh my gosh, your kids are crazy." So it solved a lot of those problems. I marketed that online, that's my AdWords thing. That was my first venture in this side gig type thing.

Andy: How much did you charge for that?

Daniel: Just charge the mom. They would charge \$85 to go to the event.

Andy: Yup.

Daniel: Really successful. We held it in our area many times a month and then we branched off and got people in other areas to host the events as well. That company got acquired just about a year later by a large company. And they really didn't do anything with it and I did some research just recently to see what happened, that company actually got acquired by even a large company. So the whole idea of that thing was never ever re-used but I think that stuff kind of happens more often than we think.

Andy: Yeah.

Daniel: Businesses will acquire smaller business just so they could sell themselves for larger amounts of some money.

Andy: How much revenue was Babysitter Blitz making?

Daniel: That was making about \$3,000 a month.

Andy: Three grand a month.

Daniel: Yeah. The bad thing about the business model was ... as soon as we got everybody kind of plugged in to their set of babysitters, everybody was kind of done. Like the area had a bunch of moms or a bunch of parents that needed that were desperately looking for good babysitters, they would go to the event, so we won't see those people ever again. They won't repeat customers. As soon as they had three to five babysitter names, they never need to use us again. After holding four to five events in the area, everybody was happy, everybody had their babysitters. It kind of dead ended. That's when we started spreading out and that's why when somebody just kind of started talking to us about acquisition, I was like, yes. This is the perfect time so ...

Andy: How did you get your first customers for Babysitter Blitz? Like where ...

Daniel: AdWords. Just AdWords.

Andy: Oh, no way.

Daniel: Yeah. We will just put up AdWords accounts in Google and that was ... that was awhile ago where AdWords was so cheap. I'm still a big fan of AdWords for testing out business ideas now. They've put in some stipulations that you can't do certain things anymore but ... and it's a lot more expensive than it used to be but it's still a great way to test out a concept.

Andy: How does a company like that get acquired? Like ...

Daniel: It kind of made some noise and I guess they just kind of chimed in and like the idea so much. The company that originally bought us was, they were more about building great neighborhood kind of social communities. It wasn't right up their ally but they wanted to have a way to have ... took in babysitters and pet sitters and that was kind of their niche. I guess we kind of made some waves, we had some good press releases, got interviewed by a few local news things. And It was going really well. I guess they just got wind of it and started contacting us that way.

Andy: When you sell it, like, what do they get? Because it sounds like you're running everything. You're doing the AdWords, planning the events and so ... what do they buy?

Daniel: Yeah. There was a lot of value to it so it wasn't ... it wasn't one of this Facebook billion dollar deal. Actually, it was almost six figures but ... So it was a pretty small deal because there wasn't a lot of ... they're not buying a lot of value yet, they're just kind of buying the system. But what I perceived what happens is never happen was they wrote it up in their accounting book saying, hey, it was worth a lot more than what really was. Here's the future potential of a company like this and ... So they just pretty much flipped it and upsold it and got bought out by a much larger ...

Andy: Oh, wow. That's really cool. Okay ...

Daniel: That's pretty common I guess. That's how the big businessmen, that's how they work I guess.

Andy: (Laughs) The big businessmen. I like that. So that's your first ... that's a pretty, pretty exciting first foray into starting a side business. Did you still have a side job when it got acquired? (Crosstalk).

Daniel: I worked at Mary Kay Cosmetics.

Andy: Mary Kay Cosmetics. You don't look like a Mary Kay kind of guy to me.

Daniel: Look at my hair. I got ... perfect. No, I worked in Mary Kay IT, eventually I was Manager of ECommerce for Latin America there. So that's what I was doing during that time.

Andy: This is super cool. I think of some ... like starting the speed dating service and I wouldn't even think it could get acquire or not. I could see making one, two, three grand a month or so but the idea of selling it for nearly six figures blows me away.

Daniel: Yeah. I mean, I guess, there's people that ... that's their job when they're about ... when they want to sell their company they like to bump up their bottom line. That's, I think, on this podcast and a lot of other people that talk about building startups

and stuff like that, that's a big goal. I think a lot of people talk about building recurring revenue but I think ... and I talked to somebody at The Foundation where he was a little bit worried about not having enough customers ... to support, to get him where he wants. Like his niche was kind of small where he was only going to have, at max, a thousand customers. There's nothing wrong with taking your idea and don't try to gain a thousand customers, try to go sell it to your one, big customer. So I think he was like in a heating and air conditioning thing ...

Andy: Yeah.

Daniel: ... niche. I was telling, there's nothing wrong with ... maybe instead of going after the mom and pops there, maybe take that platform that you built and go after a large heating and air conditioning corporation because they have the big bills and they're going to buy it for a lot more than you could probably make in a few year. That's a strategy that's not always talked about.

Andy: Someone told me a strategy too, building a business as with the idea that the business is actually the product.

Daniel: Right.

Andy: You build it with the idea that the business is the product in mind from the beginning and you're building it. You're going to build a much better business when you think about it that way.

Daniel: Totally. I totally agree with that.

Andy: Question for you. What made you decide at age 35 that you wanted to start a business?

Daniel: Everybody realizes it now, it's such a big wave. It's almost not necessary to talk about. But just Corporate America is not for everybody and everybody is finally realizing that commuting 45 minutes to a job to go to four hours a meeting and only really work one hour of real productivity a day, and just putting up with all that politics. It's just not very rewarding, you're really trading in 40, 50, 60, 70 hours of your week for ... just your weekend and usually

half your weekend you're recovering by doing stuff that you couldn't do during the week so you really have ... you're living your life just to live one day a week and it became very clear to me that I was on that track.

As I started moving away from kind of middle management to kind of upper management and kind of plotting my career path I was like, "Man, this is ..." I just stepped back and just said "Man, this is retarded. This is ridiculous." I didn't want to be who were my bosses. I didn't respect my bosses. I did not want to be them.

Andy: Yeah.

Daniel: I think some people are built for this and if that's the way you are, that's awesome but I think it's very easy. If you look at your boss and say, "Wow, I want to be just like him." That's awesome. But, I can guarantee you, 90% of the people say ...

Andy: Nope.

Daniel: No way. They always say, "Well, I'm going to be a better boss than him." But usually, you are a product of your boss because once you become him, you have another boss. It's usually just a product of where you are in a Corporate American. I did not want to do that anymore.

Andy: Did you have desires before age 35 to start a business and do your own thing?

Daniel: Yeah. I had already been very entrepreneurial and I think that's why I moved up at my corporate job pretty quick and that was because ... Even in a corporate world you could be pretty entrepreneurial ...

Andy: Within the company.

Daniel: Yeah. Like Seth Godin's Linchpin (crosstalk).

Andy: Yeah.

Daniel: You could be pretty entrepreneurial within a company but you're not always ... you're not rewarded with the same paycheck. You could [inaudible 00:12:20] awesome and you still get the same paycheck. But if you step out, build your own thing

and be really awesome then you are in total control.

Andy: Yeah. But that's such a terrifying thing. That's a whole different ball game you know?

Daniel: It is terrifying, it's also very liberating.

I remember the first time ... I literally handed, I took my bonus check with my left hand and handed my resignation in with my right hand. I even gave a short resignation, like I was going to hang around too long. That was completely awesome. I remember coming home and me and my wife when out and celebrated that night. It was very like ... "Oh my gosh, this is so incredible! We're going to kill it. This is awesome." Then we stared at each other and we're like, "Oh, my gosh! That's a \$100 bottle of champagne. Are we going to still be able to do that?" For the next six months, everything was like that. Like, "Oh my gosh!" Waking up, "This is awesome." Then the next day we're like, "Oh my gosh! I'm really, really scared." You are going to have that and that's to be expected. I think there's some really good articles written about entrepreneurial schizophrenia like that.

Andy: Yeah.

Daniel: Very common. Very scary but so liberating. As soon as you kind of set yourself out there, on your path, like that, I think it just naturally works out with you.

Andy: Hmm.

Daniel: Really does.

Andy: What did you do after Babysitter Blitz?

Daniel: I immediately went on to my next project, which is my most successful project, the triathlon or endurance coaching platform that year that you mentioned at the beginning of the show.

Andy: Where did that idea come from?

Daniel: I'm kind of a bucket list guy and on my bucket list I wanted to complete an Ironman triathlon, so I went out and got some coaching. To compete in this event or to complete this event, there's two ways you can go about it: you could hire individual

coach, and usually those are about \$300 a month; 200 to 300 dollars a month, you train with them locally. Or you can go and buy a plan. The plan would maybe be like \$300 or \$500 for a whole plan; from zero to the end. It's usually what you do every day. I ran into a couple of guys that had something kind of hybrid, they had a forum and they bought the plans and the forum is where they support it. That's how a lot of coaches do online right now.

Andy: Mm-hmm.

Daniel: When I was in there, as a customer, I saw what I really wanted and approached them and said, "Hey, I'm going to build this platform. Do you guys want to jump on board and be my first people?" I partnered up with them. They had 250, maybe 200 people in their online space charging \$100 a year. We recently kind of redid the way we work together but currently they have close to a thousand people paying a \$100 a month.

Andy: A \$100 a month. (Crosstalk).

Daniel: Yeah.

Andy: Wow! You built the platform for them, for the community.

Daniel: I built the platform for them. Yes. Now I have a lot of other endurance coaches on the platform. I've also stretched it out, that platform also is used by some ... an international business coaching franchise. They've chosen that as a way to train their people around the world. I have bowlers. I have the number one male and female bowler in the world. They're kind of teamed up and they do online bowling coaching through it. So I've kind of stretched out but now ... I even have a poker coach on there.

Andy: Huh?

Daniel: So I kind of extended it out but now I'm kind of pulling it back in and I'm going completely after endurance coaches again. Make it more of a vending machine type product where they can go and say, "Hey, I want to do this. Here's my \$100 a month." Rather than a partnership deal like I have now.

Andy: Is that what you have been doing as partnership deals?

Daniel: Yeah. It's not always like officially part of their company but it's always like they pay me a percentage of the membership revenue per month. Every deal's a little bit different but ... and then they get my platform, my support and then ... like some certain amount of custom functionality every month. I give them like "Hey, you get 20 hours of custom functionality a month."

Andy: Got it.

Daniel: I build it that way. I've been very successful at doing that, it's been a lot of fun. But at the same time it's like ... I have 15 little businesses to run. I'm kind of pulling back and I'm going to do endurance only.

Andy: Got it. I want to get to the point where ... you know, I remember quitting Corporate America and it's such a crazy decision because you're just like jumping. There's no more net to catch you. A question I get a lot is when does it make sense to live, at what point? Where was your business when you decided to make the leap? Did you have one client that you are working with? And how much revenue were you making to ...

Daniel: Okay. At my corporate job, I was making over six figures, so I had a lot to go.

Andy: Yeah.

Daniel: I had a lot to make up. My side gig was making about ... almost three quarters of that.

Andy: Oh, wow.

Daniel: For awhile there, for about a year, I was making a lot of money. I knew it had to come and I knew I was going to ... The thing about the side gig is I was working far less. I would only put in four, five, ten hours a month on some of that stuff once it got going on cruise control. I just had to decide like ... I know if I had more free time I could spend more of these new businesses. I know if something happens I have a good track record for building something great.

You kind of just have to pull the Band-Aid off I would say. I was very willing to drop some expenses in order to do this because I was ... I wanted to live the lifestyle where I was not having to work eight hours a day. I wanted to only work two hours a day max or three hours. My wife was super supportive. I was willing to have less or take less to do that. But as soon as I made that shift I was able to get more clients and quickly make up that money.

The hardest part was leaving the double paycheck. That's why I wanted to everybody that's doing ... The hardest part about when you develop a side gig and you leave Corporate America is when the side gig is making plenty of money and your corporate job is making plenty of money because then you're making a lot of money so you're going to take a big pick when that happens.

Andy: Uh-uh.

Daniel: But you're so free. You could live almost like a retired lifestyle. It's beautiful. I wish I would have done it sooner.

Andy: Your model was proven too. How many clients were you working? Were you just working with the one client with the triathletes or did you have multiple ones?

Daniel: No. By the time I left Corporate America I had four but I had many more waiting. Somehow I got on Mixergy and after I was on Mixergy, emails just came in with tons and tons of people wanted me to partner with them. I had some people I could choose from. I did have a little bit of a safety net. I know this is work. I can reach out to more people if I needed to. It wasn't like I just blindly got fed up with work.

Andy: Yup.

Daniel: Like the JetBlue guy and these leads. It was a plan thing. Actually, for a while there, I knew I was going to leave but my corporate job became pretty ... As soon as I knew I was going to leave my corporate job really became my side gig. That was the big mindset shift. As soon as I said, "Hey," my corporate job is kind of my easy money side gig thing, and then I started treating it like a

game. Like, hey, who can I annoy at work today? How mad can I get this other person's boss at me today? It became a little bit kind of fun. Took some of my pressure off of me as I was planning my escape route.

Andy: Do you remember when that switch happened?

Daniel: I do. I remember exactly what happened when I decided I was going to leave was going to a meeting that lasted like four hours and there had to be like 12 people in that meeting. We are seriously talking about the color of buttons on a screen. I was like, this meeting is causing this company literally \$200,000 an hour to talk about the color that you guys want on this button. One person would speak up and then everybody is playing a little political games and I was like, I have to get out. My time is worth way more than this and it's really just sucking the life out of me. And I know everybody's in meetings like that every day.

Andy: Yeah.

Daniel: As soon as I made that then work became very, very painful. Then things start showing up and everything becomes very, very painful. Then that's when I switched the mindset, "Hey, I'm going to leave. I need to figure this out the next three or four months how I'm going to do this. I wanted to wait for my bonus." And that's where I turn it and like "Hey, this is my new side gig." This is my corporate job. It became pretty fun.

Andy: You kind of knew, you knew like three or four months. Did you have a timeline? You're like, okay, at this point my bonus comes to stay, this is when I want to be out of here by.

Daniel: Yeah. And that sounds pretty selfish but the bonuses were served in the spring. I knew around Christmas time that I was going to do that but I knew I could put up for three more months to get the bonus. But I earn that bonus. It's for the previous year. I earn that.

Andy: Hell yeah.

Daniel: Those last three months were ... At first it was very

painful because I didn't want to be there but then as soon as my mindset shifted it got pretty fun. It's fun to have that trick up your sleeve.

Andy: Oh, totally. Totally. I remember, I had a similar thing where decision was made in December and all of my retirement stuff vested in March or something and I waited till that day, crossing my fingers just ... day in and day out just waiting.

Daniel: Did you plan like what you're going to do? On internet there's all kinds of cooler ways to leave your job. People are leaving cakes with their letter of resignation on it and just out of office replies that have ... it get really, really creative. I hope when they do find that moment I hope they come up with something awesome.

Andy: Totally. I wish I would have been more creative. I didn't come up with a new thing that great. It was kind of a whirlwind. I went to South by Southwest and hung out with a bunch of my friends that were living this lifestyle thing and then I came back and I was like, okay. I put in my two week's notice and I split up with my girlfriend of five years and moved in with my buddy Dane and just started binge drinking and ... Yeah. I was like [inaudible 00:23:15] all night.

Daniel: What year was that?

Andy: 2010, 2011.

Daniel: Okay.

Andy: 2011 I think. Basically batched all the major life decisions I've been putting off.

Daniel: It's so crazy the energy that just happens at those things, especially like South By is ... it's got really big now but just the energy at every single little event you drop in at and every bar you go to during that time. The energy is incredible.

Andy: It's crazy.

Daniel: If you're not ready to quit your job, and you shouldn't quit your job yet, don't go to South by Southwest and hangout. Because you're going to like quit after that.

Andy: It's so true. It was super powerful because you're hanging out with people who were doing what you want to do.

Daniel: Right.

Andy: You know? And you're hanging out with people who have made it and you're like, shit! They can make it, why can't I or why haven't I done it yet.

Daniel: That's totally and that's what I think is so great about Foundation when I dropped in with you guys at Vegas. That's the feeling that I wanted to get and it was definitely there. I love to see ... and I see these people still talking on Facebook, stuff like that.

Andy: Yeah.

Daniel: They're all killing it. And I can guarantee you that if they were by themselves, they would not be making the progress they are now. But, as soon as one person can do it, you can do that. If he did it, why can't I. That's kind of my angle when I talk on these things is I'm not the young guy that's living in hostiles and traveling the world.

Andy: Yeah.

Daniel: I wish I could have that chance but I'm a grown ass man and I have four kids and I have a house and I have lots of cars. Anybody can really do this. It's so fun. I wish and I hope that everybody that has in their heart to try to do this, I wish they at least get something going, and at least try. If they fail, they're going to get it the next time. You learn so much through the failing of this process that you can reproduce something. Even if you develop something and build the product that's not making as much as you want to leave your corporate job, now you have the blueprint to do it again. You could build many. I have quite a few.

Andy: For someone who's listening right now and they're in Corporate America working either for a job they hate or maybe it's the job that's not that bad, they just want to do their own thing. What should they be focused on? Where should they focus their time and energy?

Daniel: I think on things like ... it's a plug for you guys. My thing is like The Foundation, I'm really big into, I'm really big into building a product online. I think a lot of people want to go make money on the internet and what they do is they immediately get sucked into this circle of, make money on the internet by teaching others how to make money on the internet. That circle. There's some people that do very well and they're very ethical in that circle but it's such a whirlwind, spiral down into buying at the end of it \$5,000 with the e-books and ...

That's where I would like people not to go. And that's why the idea of building small startups or The Foundation is ... it's a real product, it's a real business. Typically you're building something that has a recurring revenue. I think it's also something like we start, we talked about earlier, it's something that can be acquired or purchased for a large financial exit. And then once you get something like that going, there's other ways to make passive income on the internet as well. And maybe it is an e-book or maybe it is a product or something like that. That's where you could kind of diversify yourself and have a kind of a portfolio of internet products.

But jumping in and thinking that you're going to quit your corporate job by building an e-book or whatever and jumping in that affiliate world, it's a long shot. It's harder than it looks. And I have some stuff like that. It doesn't make the money that you're going to ... what, and it's not going to fulfill you either. Having a real business is a lot more fulfilling than just marketing.

Andy: Man, the first info product I built was called the Arbitrage Conspiracy.

Daniel: Okay.

Andy: And I remember spending \$600 on it which was like a freaking a lot because I split it with two people or one person. Something like that. It was just one of those where people were trying to do arbitrage on AdWords and we're doing all these CPA,

like these affiliate offers. After two weeks of that I felt like my soul had just been tainted. It was awful.

Daniel: Okay. So you're like trading ... if that's the whole trading nickels for dime type of thing. That's hard work too. Some people do really, really well with that kind of stuff.

Andy: It's game in the system

Daniel: Right.

Andy: You know? There's no value being created.

Daniel: Exactly. I think ... ultimately, even if you were successful at that, I think you would feel your soul is tainted, I think. That's what so cool about doing, building a small business that's really ... Even if your business is not affecting a million lives, it's still something that's so much more tangible and it's something that you could explain at a cocktail party too other than ... oh, I take over people to AdWords account. It's just so much more fulfilling than doing those other things.

Andy: What would have sped up your process to quitting your job? Like if you would have had something or known something, what would it have been?

Daniel: Following along with somebody, and it feels like I'm plugging you guys again, but having a mentor that could show you through this process. I backed into it backwards and I've mentioned to this before but I kind of built this product and instead, "Oh my gosh, I need to learn how to market better and I need to learn how to sell better," and all these other marketing techniques. Where a lot of people come from the other angle where they kind of get the whole internet marketing area and now they want to build the product. So if I would have somebody that would have taught me like you guys teach your students that would help greatly. But that and coupled with just knowing how important marketing is, all of the facets, everything from email marketing to Facebook marketing to paid ads, if I would have gotten and jump on that sooner, I would have had a lot more clients sooner and left a lot sooner.

But my warning is to anybody that hasn't been in the space very long, that's where you get sucked into those traps of make passive income by teaching people how to market and things like that. You got to go in there with ... kind of with your blinders on. Pick a few ethical people that you like and just use them. They are your resources for copywriting. Because there's a lot of great copywriters out there and they all do things a lot ... different ways. I think all of it works some of the time. If you [inaudible 00:30:12] around consuming all day, and I still following the shot. If you still sit around, consuming all day, thinking that you're going to be an expert copywriter before you start your product, you're just never going to get it done. Just pick some resources from each area that you need to work on, follow them and just start working hard and put it in action right away. That's the number one thing that would have worked faster for me.

Andy: Got it. Especially, figuring out somebody to really teach you the ropes of ... especially the marketing and sales stuff.

Daniel: Right, because it's everything. If you have a great idea, if you can't market it ... it's never going to work. That's another thing is once you get out, once you do stuff like I've done or like you done and build a software as a service product or any like a small startup, people start coming to you with ideas.

Andy: Yeah.

Daniel: And some of them are terrible and some of them are really, really awesome, but they're not going to go anywhere because they have no idea how to execute and the first step is marketing. If you can get out there marketing it before it's even built, you can really have certainty there.

Andy: How did you balance having a family and a full time job and still doing something on the side? What were your [hours 00:31:23] like?

Daniel: I would go to Corporate America and do my thing. I actually had quite a bit of work. Somewhat busy work, I had already

started outsourcing at my job, things like PowerPoint presentations. All that stuff that you do in Corporate America, filling out timesheets.

Andy: You hire people to do that for you?

Daniel: Yeah, I did. In Corporate America, at least where I was I felt like I was building a PowerPoint presentation, maybe two weeks. If you could just get somebody to build the skeleton frame, you send them an outline, you send them back. You could save a lot of time. I would just work on my stuff and I ... after the kids went to bed. Wife is super, super supportive. That's probably the most important thing. It gets to that point where your side gig, when you're working on that, it doesn't going to feel like work. It's like you went to this weird space time [inaudible 00:32:19]. You just go in the zone. So it doesn't feel like you're working a lot of extra hours. That's where you're getting your fulfillment. As that gets bigger and bigger, your day job becomes more and more dread. Yeah, I would just split time, I would do my work stuff during the day and work at night.

Andy: How many hours do you think you were working a week on your side gig?

Daniel: My thing is a little different so I was able to build the product, the platform. Kind of a sprint fashion where I would just work a lot. I would work five hours a night for, I don't know, two or three months; because I'm the one that coded that. But once it got kind of rolling then you're just going to do and support. Then it was just on a as needed basis. It would go way down after that. That's where I started kind of like "okay, I need to start learning how to market." Then it become just ... now I feel like "Oh, I do now," I just learn how to market and market to others. I don't code hardly at all. I have people that do that and I have people that do support. So it's kind of shifted from that. Now all I want to do is learn how to market [inaudible 00:33:22].

Andy: This is interesting because when you said the thing that

I code ... you said I coded it myself and instantly I'm thinking if I'm somebody in the audience, because I don't know how to code. And so it's like, well, if I don't know ... if he knows how to code like he has this skill that I don't have, I can't do this.

If you didn't know how to code how would have you went about starting your business?

Daniel: I definitely would have outsourced it. There's so many good places to outsource coding now. I hate to treat it like commodity because a good coder is much more than a commodity but finding coders is not a big deal anymore, especially now in an instant. I would have just hired somebody to do it. So anybody that is listening and say, "Oh, I'm not ... coded." That was to my advantage and I was able to save some cost there. It's still to my advantage today because I could at least give coders vision but it's absolutely not necessary. And you guys are proving that and then some of the people I mentored through with you guys, they're picking up great people on the internet for really cheap. And you could always ... and a lot of them are doing joint partners with ... they'll approach a developer and the developer says "Hey, I'll do this for rev share." There's lots of ways to do it that are no cost.

Andy: Tell me ... for somebody who hasn't been through the course or ... where would you tell people to go to find good developers?

Daniel: That's a tough one. The default answer is some place like oDesk or Elance and you could hire coders off of there. You have to have a really good interview process and while you're doing that, if you're not a coder, try to find somebody in your personal network that you have, that is a coder that could interview these guys for you. If you have a friend that works in IT, they should be able to do that for you for free. But even if you give them \$500 to find you the guy, it's well worth it because ... you're not even going to know the right question to ask. It's difficult to find that right guy but once you find that guy then you're just ... you're ready to go.

If you're going to go that route, make sure that you have somebody on your side that could interview those people. And it might even be that you have to go through Elance to hire your hiring manager and tell them what it is. You kind of think through that because you're not going to ask the right questions.

One of the ways that I see happening a lot is the rev share or the joint deal. Find somebody that's a developer in Corporate America and get them and partner up with them on the outside because now they want to escape too. And now they have a side gig they believe in. And they'll work for much cheaper or for free while they're doing it.

Andy: Totally.

Daniel: And if you don't want to rush your program like that, they'll even ... most people, their side gig stuff they'll work on because that's kind of gravy money, they'll work at a much cheaper rate. And then you get a developer that speaks your language who you already know.

Andy: The tip about getting people in corporative brilliant and I think I remember ... I wanted to ask you this, I remember being in Corporate America and talking with developers and the way they would go about building products is so different. Because what happens is when you're in Corporate America you're used to having all of these different resources and big budgets and all of these, and your mindset is completely jaded. And so if you can show them that you have traction with an idea or a product, they'll want to be a part of this just because they see that you've got sales.

Daniel: Yeah. Especially if you go with them like you guys teach to go forward with, at least some momentum showing that this isn't just some harebrain idea that ... they probably get approached by a lot. If you show, hey ... there's some certainty into the stuff, they'll light it up.

Andy: Yeah.

Daniel: If you have some money saved and you just want to pay

somebody, you're going to get a good deal because they're working for cheaper. And they're going to work well because they're excited, they love working. Every developer in Corporate America has a side gig. That's the way it works.

Andy: Totally. And they get so excited by it because the corporate stuff is draining.

Daniel: Right. It's a great way to go. Let's use your personal network there.

Andy: This is a question I have for you. I felt in Corporate America, like even my mindset like deteriorating, because you get surrounded by the way things are done and you think that's just the way the world works. How long did you spend in Corporate America?

Daniel: Fifteen years.

Andy: Fifteen years.

Daniel: Yeah.

Andy: How did you hold on to that thread of just like there's something better out there? Like there's something more and not getting jaded by (crosstalk).

Daniel: I think I was brainwashed, I was brainwashed by go to college, get a good job type thing. My first marriage when I was climbing the corporate ladder, my first marriage, my first wife died from breast cancer. After that happened everything ... she died very young, everything changed. My corporate job, Mary Kay, if anybody's listening [inaudible 00:38:29], they treated me well. wry well during this whole process. I'd probably be a different man if I wasn't. But, everything changed after that. I'm not going to do that anymore.

So that's immediately where my aha moment kind of came from was like I got to do something. Or at least I didn't put as much value on climbing the corporate ladder anymore. Went through different ideas and different things like that but ultimately I was okay with it. That's what I was told to do and it seem like I was on my way and I

wore a suit everyday and I drove a pretty nice car and I had a pretty nice house. It felt like I was living the American dream but it's just ... it was fun for a while but I think everybody at the point where you were a rhyme at, eventually has some kind of awakening moment. I think that's happened at a much more accelerated rate and I know that because the people that I met at The Foundation in Vegas ... these guys are young guys, one guy I was like [inaudible 00:39:22] out of college yet.

Andy: I know.

Daniel: Oh my gosh! Talking about ... he still live with his mom and dad, I was like "Oh my gosh! If I had the tools you have right now and I still live with my mom and dad, I would have been a millionaire by 25. It's ridiculous. The resources available now and how fast you can move with certainty using the internet is incredible.

I'm so happy and so excited and proud of these young guys, these young bucks that are realizing that before they even jump into this world it doesn't have to be that way. It's exciting to see because it really is ... it used to be like this shift that was happening kind of underground but it's really out there now. People are really kind of sticking their hands up and fighting Corporate America. It makes me so happy.

Andy: Me too man. Tell me ... you're talking about doing something with gas masks now.

Daniel: Okay, yeah.

Andy: Tell me a little bit about this.

Daniel: One of my other products. This kind of goes back. As soon as you ... and people are kind of leaving Corporate America maybe to do something like this or trying to ... As soon as you put it out there that this is what you're doing, people come to you with ideas. You don't have to always go research your idea or investigate things or come up with a thousand ideas. People will start coming to you with ideas, especially if you got any kind of success.

I got approached, a partner with somebody and ... this just shows you ... you don't have to build the next Facebook. I hear that a lot. Like, "Oh, I have this idea for Facebook but it's just for sports." Its sports, I'm like "Oh man, that's pretty good," but you don't have to always be that big. This is a great example was we built this product that out in the oil fields, all these people ... all these manual labors just hands, people are working very low wage, high turn. They still have to be certified to wear these gasmask in case of emergencies or sometimes I think they had to wear them while they are working. It was a big deal because OSHA, a safety governing body, would make them get certified by a doctor so they didn't have to fill out a form. And half of them fail. These are guys with ... some of them had a pretty rough life and that's why they're doing what they're doing. They would not fill it out correctly. It was just a very bad process and these companies like Exxon or BP, we're trying to get these people out in the field and working.

So this one doctor came up to me and we built this product that pretty much certified them online. So I asked all that questions that OSHA wanted to ask them, but if they weren't going to pass, instead of the doctor calling them and seeing if they would pass by answering smaller questions, we just built all these into the system. What eventually happened was 95% of these people would pass by asking the same questions the doctor would, in person or on the phone. Overall that wouldn't typically cost that company like a \$150 when all of a sudden ... If they had to talk to the doctor on the phone, the doctor would charge them. We built this system that say, hey, if they don't pass through this, just let them go. There's no use spending time with them. And then they would be passed within an hour and off to work. Instead of charging \$60 like most doctors were and was kind of good old boy network, he just busted open and say, "Hey, I'll charge you \$30 for this thing. Ninety-five percent of people are going to pass."

We built that system and ... when ... that company was also ... that

product and that ... I guess it was company was also acquired. But when that happened, they were doing ... I think about 3,000 certifications a month, and those were coming in at \$25 apiece. That doctor had a private practice, a private family practice and he immediately, just after a couple of months he quit and all he did was play golf. Because it was completely 100% automated. There was nothing he had to do. All he had to do was stamp. It was just his name that was being represented.

That was eventually acquired by the world's largest safety consulting firm. Unfortunately, through after some legal things, I was not setup correctly in the deal and I (crosstalk) short. Yeah. This is kind of a warning. Make sure you have your stuff setup early when you're talking about partnerships. I was not awarded in the deal as much as I would have liked. It was definitely a lesson learned. That just goes to show ... that's the smallest little niche. It's not glamorous, it's actually pretty ridiculous but it made a ton of money. It made enough money so a doctor would quit and it was acquired for a lot of money.

That just shows you that there is a real life cycle to even the smallest little idea and your idea doesn't have to be the next Facebook. In my mind, I don't want the next Facebook, I don't want to go to anymore meetings that I have to. I always keep my stuff as small as possible. Even when I see it kind of growing to where ... it looks like I'm having a lot of meetings I kind of put on the breaks.

Andy: I love how simple that idea is too. [Inaudible 00:44:26] clear.

Daniel: There are so many things out there like that.

Andy: Yeah.

Daniel: Especially they're hidden in those industries that aren't tech savvy that they don't ... if you go into industry that has a lot of tech savvy people, people kind of jump on those ideas and will build them out but ... industries that are manufacturing where they don't have a lot of people, they're entrepreneurial or dreamers like that,

there's little things like that all over the place.

Another thing that I recently done is I have a website out there that helps you ... when you build the business and you just ... all you need is a tax ID, you can go online to social security and get a tax ID. It's free. But the problem is they ask you ... it's done in a social security way, they ask you ridiculous questions that's hard to find.

Andy: Yup.

Daniel: We built this another joint venture, we built this application to ask easier questions and then we just file it for you, for a fee.

Andy: Oh, beautiful.

Daniel: Yeah. This one ... and just to show you that not everything works out the way it should, this one is we're kind of contemplating. This one may fail. We do a lot of money on AdWords. We spend about 4,000 a day to make about 500 a day.

Andy: Wait, wait, wait. You spend four grand a day?

Daniel: Four grand a day to make \$500 a day. Five hundred dollars to a thousand dollars a day.

Andy: Yeah, but you're saying in profit not [in revenue 00:45:57].

Daniel: In profit, right. In profit. It's getting a little hokey and that sounds like "Oh my gosh! That's a ton of money." It's almost not worth it and it's almost a little bit like gaming the system. Just to show you that it's okay to fail, like right now I have it on my calendar this week to do some soul searching and see if we want to shut this one down. But, I think if somebody was better at AdWords than I was or if they took this model and hired an AdWords firm ...

Andy: Yeah.

Daniel: It would work but ... and I think that's what my competitors are doing but ... then it wouldn't be profitable for us. Not everything is going to work and expect some failures but ...

Andy: Maybe you can sell it too.

Daniel: Exactly.

Andy: You might be able to find somebody to buy it.

Daniel: Sure.

Andy: Tell me ... you're up to something at the end of the month or at the end of summer, with building the business from scratch.

Daniel: Yeah, yeah.

Andy: Tell me about that.

Daniel: What I'm going to do is ... and I mentioned earlier that I kind of backed into this. I'm not a marketer. I don't social media. I barely started my LinkedIn profile recently. I kind of came in this from a different realm. I'm kind of just the hidden guy. I don't have any products to sell and I don't blog or anything like that but I'm going to kind of change that up a little bit and I'm going to allow people.

I'm going to finish up this one product launch that I have going to summer and as soon as I'm done with that I'm going to allow people to look over my shoulder and see how I start something from completely from scratch. I have some ideas that I'm going to throw out there and I'll teach people how I came up with those ideas and I'll validate them online. I do it a little bit different than The Foundation does it but I'm just going to go through the whole cycle and see if I could within a year make a thousand dollars a month from this product. A lot of people just kind of look over my shoulder as I'm doing it and see my scripts and see my ... how I hire (crosstalk).

Andy: Oh, cool. Do you know the niche you're going in?

Daniel: I do. Just like everybody, I have about [inaudible 00:48:00] about a hundred ideas going. I think there's ... I like the swimming pool builder niche [inaudible 00:48:09]. I think any niche that has a ... when I had something kind of going with it and when I got it validated it wasn't going to quite work out so I pulled back but because I wasn't validated there, through talking to people I kind of know, I think I have an idea that may work.

I like the swimming pool niche because pretty big markup. You're talking 35 to 135 thousand dollars to build a pool. Some big market there. If you can get in on that ... there's space for pool builder to pay you some money to help them out. I'm pretty interested in that right now.

Andy: Super cool.

Daniel: I'm going to spin up just a simple site where you can sign up called supersmallstartups.com.

Andy: Supersmallstartups.com. And where can people go if they want to get in touch with you?

Daniel: I like LinkedIn so you can find me on LinkedIn. Find my profile, Daniel Himel on there. Get in touch with me. I love helping people. On The Foundation I helped a lot of people.

Andy: Oh yeah.

Daniel: I use email and Skype quite a bit. Ask me questions, balance ideas off of me. Just use me kind of as inspiration or help why you're contemplating, taking your own life when you're at Corporate America. Don't do it. There's hope. Just use me as just another resource out there. I'm happy to help you through whatever you got.

Andy: Perfect. Thank you so much Dan. It's incredible to hear your story. When Dan says that, he really means it. Because I remember being in Vegas and how many people I talked with who raved about how helpful you were and how much your advice really shifted what they were doing. So thank you for that and thank you for doing this interview. If you want to get in contact with Dan I'm going to put all of his information at the bottom of the show notes at thefoundationpodcast.com. You can check that out and see all the notes from the show and all of the links of where you can find out what he's up to. Awesome.

Dude, thank you so much for coming on.

Daniel: All right. No problem. How long do you think it will take to air this?

Andy: I don't know.

Daniel: Okay.

Andy: But I can have Chris let you know. When would you ... do you have a preference?

Daniel: Well, I just bought that domain like five minutes before. But I'm just going to put up a sign up thing. I'm not going to mark or anything. It's not going to go tomorrow or anything like that, right? Couple of weeks?

Andy: No, couple of weeks. You have time.

Daniel: Perfect.

Andy: Yup. You definitely got time. I might keep it till the end of July-ish, early August because I think it will be a good interview towards the beginning of our launch I think.

Daniel: Okay. That'd be perfect. Yeah, that'd be great because I talk a lot about ...

Andy: Foundation stuff.

Daniel: Yeah.

Andy: Totally.

Daniel: Cool. Well, let me know if you guys need anything. If you need me to talk to anybody else. Like I said, I'm always here to help your guys. Point to me as much as you can ...

Andy: I will.

Daniel: For the old crowd that has some doubts, just point them to me and I will get them signed up.

Andy: Dude, thank you so much.

Daniel: All right.

Andy: If there's anything I can help you with, marketing stuff or anything else coming up, just ... I'm an email away.

Daniel: Cool. Take care Andy.

Andy: Awesome. Thanks Dan. See you.