The Entrepreneur Who Successfully Exited Two Companies and Is Building His Next with Domain Names - With David Wieland

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http://www.domainsherpa.com/david-wieland-iestates-interview/

Three messages before today's interview educates and motivates you.

First, if you're a domain name investor, don't you have unique legal needs that require domain name technical know-how and industry experience? That's why you need David Weslow of Wiley Rein. Go search for David Weslow on DomainSherpa, watch his interview and you can see for yourself that he can clearly explain issues, can help you with buy/sell agreements, deal with website content issues and UDRP actions, and even help you write your website terms and conditions. David Weslow is the lawyer to call for Internet legal issues. See for yourself at NewMediaIP.com.

Second, managing multiple domain name marketplace and auction site accounts is a pain. Inevitably, you forget to sign into one and lose a great domain…or worse. Now imagine using a single, simple-to-use and comprehensive control panel to manage all your accounts. That's Protrada. You can setup search filters, analyze domains, automate bidding, list domains for sale, and buy domains across all major marketplaces. Protrada also has a new semantic engine that builds Google-friendly websites with rich content and network feeds. Sign up at Protrada.com to get 20 free credits and start building and monetizing your domains today.

Finally, if you have questions about domain names, where should you go to ask them? The answer is DNForum.com. Not only is DN Forum the largest domain name forum in the world, but it's the best. You can learn about domain names and the industry, buy and sell domain names, talk about domain name news, and meet other domainers just like yourself. Register for a free DN Forum account and begin advancing your skills and knowledge today. And when you do signup, send me a friend request so we can connect.

Here's your program.

Michael Cyger: Hey everyone. My name is Michael Cyger, and I'm the Publisher of DomainSherpa.com - the website where you come to learn how to become a successful domain name entrepreneur directly from the experts.

Most people watching this show know that the best way to monetize their domain names' assets is to build them out. But building websites is hard work. It's fraught with difficulties and it always has setbacks. As an example, I had invested in a website back in January 2011 - more than fifteen months ago. It has a hundred and ten thousand readers per month and more than a quarter of a million Twitter followers, and I have yet to launch a new version of it, which what my original intent was by buying it.

So how is it that other people are able to launch so many sites so quickly and how do they do it profitably? That's the question that today's guest is going to help answer. Joining us is David Wieland, the CEO of iEstates - a website development and domain name investment company with over twelve thousand premium generic and geo domain names and developed websites. David, welcome to the show.

David Wieland: Thanks, Mike.

Michael: David, I originally contacted you after I read on Domain Name Wire that you bought Austin.com. Upon further research, I actually see that you appear to be on a buying and website relaunching spree. Is that a fair statement to make?

David: Yeah, that's a fair statement. I mean, we bought Austin.com, MBAs.com, Polling.com recently, and Interviewing.com is the last one we just launched.

Michael: Great domain names. MBAs.com. I think I've seen that one before. It ranks very highly and it's a lead generation site.

David: Yeah, it's a great site. It makes pretty good money and it's easy to run too.

Michael: Nice. Is twelve thousand domain names - that number that I pulled from your website - an updated and correct number?

David: No. It's down to about ninety-five hundred now. I've been pretty active in selling.

Michael: So what happened to the other twenty-five hundred?

David: Sold a lot. Let some expire. We got pretty ambitious there for a while and were buying a lot from auction; and thought we were going to blow it out of the water, and then other things happened.

Michael: Of course. And if you had to classify those you let drop or sold, what did you learn? What kind of domain names were those?

David: Most of our portfolio is based on city+keywords, like NYCBabysitting or ChicagoDogWalking. Easy domains. Something that most people wouldn't be looking for necessarily. But to the right business, it could be worth seven hundred to a thousand bucks.

Michael: Right. And were you able to actually sell them to those businesses for five hundred or seven hundred bucks?

David: Yeah. We sold thousands of domain names. And a lot of times what we did was built them out into mini-sites and business directories. And then we would reach out to them initially, 'hey, do you want to advertise?' and then that turned into, 'well, I'd kind of like that website'. And then we got a little more aggressive with the sales to kind of trim down our number. So anybody looking for a good geo+keyword name, come talk to me. Because I've got a bunch of names that I'm looking to get rid of.

Michael: Alright. Anybody that's in the geo space that wants some good geo+keyword domain names; they will reach out to you, David. So, the remaining ninety-five hundred - are those ones that you plan to develop out yourself? Are you looking to sell some of them? How do they shake out?

David: Yeah. About five thousand of them are probably the geo+keywords. They're developed, today, using our platform - PreBuilt.com. And they're individual sites, but they're using a common framework for most of them. I think those are for sale and we'll probably be moving them pretty soon; within the next twenty-four months. And the rest of them are good keyword domains. They get a lot of traffic; a lot of pay per click.

Michael: Great. I'm going to come back and I'm going to ask you about PreBuilt.com and how you came to own that system - if you built it. I'm also going to ask you about moving and selling domain names because it seems like you've got a lot of experience with that. But let's start the discussion with Austin.com. It's a fantastic domain name - one of the best cities in America. Fantastic travel destination site. South by South West takes place there every year. If people haven't heard of that, I think tens of thousands of people converge upon Austin for technology presentations and environmental presentations. Every type of event is taken place at South by South West. Fantastic music scene. Why were you so attracted to the Austin.com domain name?

David: For all the reasons you just mentioned. It's a growing city. It was one of the fastest growing cities in the US throughout the 2000s. 2000-2006 is what I think I read. I've been there a lot and it's a lot of fun. And people that live in Austin love Austin. People that visit Austin love Austin. There's not a lot to not like about it except for the summer temperatures. But it's just a great city. Names like this don't come up very often. And if you're ever going to get into the space and you see a name like this come up, that's something I'd have my eye on for a while and I thought it's kind of now or never. So we negotiated a good price and got it done.

Michael: So it was actually listed through Sedo, I believe, in 2011. Is that correct?

David: I think so. I think that's probably where I first saw it.

Michael: Did you use a buyer's broker or did you actually see it listed for sale?

David: We used Chad Folkening's Group.

Michael: Domain Holdings.

David: Domain Holdings; that's right. John Ferber's Group. I think they were actually the ones who reached out. They were the ones actually looking to move this and I said, 'well, give me some numbers'. So it worked out and I bought MBAs.com from them as well.

Michael: Oh, excellent. And so, on Austin.com, I believe that it had an original asking price of seven hundred thousand dollars. Is that what you remember?

David: That sounds right.

Michael: And were you able to get it above or below that number?

David: I'm not really supposed to say, but I think you can probably take a guess where we picked it up at. I got it for a fair price.

Michael: Great. And you actually own MBAs.com. You're doing your MBA right now, I believe. Is that correct?

David: That's right.

Michael: So when you bought Austin.com for somewhere on the order of magnitude of the middle six figures, let's say, because I don't know the exact number, did you have a business model in mind?

David: No, not at all. I had already talked with the guys at Geo Platforms. It was actually on a completely unrelated note actually and I was kind of asking them what they were doing. And they're big into the geo space, but they also build the auto sales sites and car sites. And we were talking about something else and he was kind of telling me about this. I said, 'well, actually, I got my eye on this name. Would you be interested in partnering to kind of run it for me because I just don't have the bandwidth?' and he said, 'absolutely'. So that's kind of how that conversation went. I had no plans except to (Unclear

8:26.2) and build the website. The SEO was not good and it was just too much going on. I knew with just a few small tweaks the site could be doing better. And so, we made some small development changes there and it's a work in progress. We're nowhere near where we're going to be. In fact, this is just a very quick version of what's about to come.

Michael: When you bought the domain name did you know what the revenue and traffic was at the time that you made the purchase?

David: No. There were no stats. They estimated a revenue, but there was no bookkeeping. We basically went in thinking there was no (Unclear 9:05.5) or no revenue.

Michael: Okay. You said, when you made the purchase, the assumption was that there was no revenue.

David: That's right. No revenue. We assumed that there were none.

Michael: So you had no business model for Austin.com when you bought it. You knew that you were going to try and build it out, build up the search engine optimization, build up the revenue using the Geo Platforms service. So, in the past, I've had Fred Mercaldo on the show, who runs the Geo Publishers Conference. He also runs Cities-in-a-Box. And so, Geo Platforms, which I haven't known much about in the past, seems like it's another option that owners of ultra-premium geo domain names can use to quickly build out a website and start monetizing it.

David: Yeah, that's right. And these have been really good about managing everything. It's not an out of the box solution; they do have a platform they use. But they do put quite a bit of work into finding writers. That's where we're at right now - finding content writers, finding advertising sales people. And they've been good to work with.

Michael: Alright David. So let's take a step back in your career. Clearly buying a domain name like Austin.com for somewhere in the mid-six figures takes a lot of capital. You, I believe, bought it outright. But I want to find out

how you actually got to the point where you had enough capital to do that. So let's take a step back. Let's talk about this. When you were in college, what did you study?

David: I was a Philosophy and Political Science major.

Michael: And Philosophy and Political Science majors aren't very good with computers. They're not computer scientists - let's put it that way.

David: No. But I think Philosophy, especially, makes you curious, and kind of challenging things around you, and kind of looking for different things. So I was never really good at fitting in, so I look for opportunities to find things that help.

Michael: Excellent. And so one of the opportunities that you started was actually with your brother at the time. Is that correct?

David: Yeah. Well, I had started a Hotel Wi-Fi Company a little bit after college. I was first an options trader immediately out of college and then started the Wi-Fi Company in my second bedroom. Wi-Fi was just about to explode and he was still in college, so I actually brought him on a year later as Co-Founder. But, yeah, we grew that from my second bedroom to about thirty-five employees and sold that back in October for a nice return. We serviced over a thousand hotels, so it was a good size company.

Michael: Wow.

David: Yeah. And in between that and selling, I owned a Hosting Company - Power Search Technologies. It kind of fell on my lap, and I bought that and sold it a couple years later. And that's actually how I got into domaining. Because we basically, to grow the company - we're not super proud of this -, we were buying keyword domains, building sites on them, and then selling them for cheap. But people had to keep the hosting with us, so we grew the company and grew the user base very quickly. I think other people kind of started catching on to that, so it kind of became a trend. So we grew that company pretty quickly and then sold that one for about twice of what I paid for it.

Michael: That's excellent. So, thirty-five employees for Innflux, which was the Wi-Fi Company, and it had some additional services and offerings within that. Are you able to talk about the revenue of the company when you sold it?

David: Yeah, I really shouldn't. Let's respect the new owners. And I still own a quarter of it too, so it wouldn't be good information for our competitors.

Michael: Sure. Okay. So basically you went into hotels and you setup Wi-Fi networks so that all of the guests and employees could use the system.

David: That's right. Yes. Pure networks that were easy to get on. They have to be secure, but also easy to use and comply with all the hotel brand standards.

Michael: And when I go into a hotel it usually says, 'here's how you sign onto it. Here's the password. And if you have problems, call this 800 number'. Would that come to you as well?

David: That's right. Yeah.

Michael: Wow. Okay. So you actually had to have guys that'll go out to hotel, sell them this system, and then you would have to install it, and you would service it and provide all the customer service.

David: That's right. Yeah.

Michael: And you would get paid by the hotels to do this?

David: Yeah, a few different revenue streams. One was, obviously, we got paid to put it in. I shouldn't say obviously, but we were paid to put it in. We were paid to manage that on a monthly recurring basis. And then we also got paid if there were upgrades purchased through the system. We shared the revenue.

Michael: Got it. And so, some of the hotels would offer it free to their guests, I'd assume, and some of them would charge for it.

David: Yeah. Most of our clients offered it for free. In fact, we were one of the first to build our model around our frame for free. When we got into the space, in 2003, everybody charged for Internet and we went down the same road, but then we were getting asked by some of the people we were talking to, 'hey, what do you think about offering it for free and how is the pricing looking?' And we were like, 'well, we don't really know. Nobody is doing it'. But we threw out a number and it sounded good to everybody and that's what we went with.

Michael: Nice. Alright. So, basically, you started up Innflux under Tantus Networks, which was the Holding Company. And then you offered that service to hotels. You also offered it to hospitals and other organizations.

David: Yeah, hospitals was the second largest group we're into. A lot of hotspots. And then, just recently, we've really gotten into student housing, which is an incredible opportunity right now. And we just signed a thousand bed unit out in Utah and another six hundred and fifty bed unit down in South Carolina.

Michael: Wow. So you built this business, but then you just took it out of one industry and put it into another vertical.

David: Yeah, exactly. We already had the infrastructure. All of our software is easily portable to any location. So the pricing is usually the big difference there. Different industries want to pay differently.

Michael: Right. And so, when you sold the company, you sold seventy-five percent of it I think you said.

David: That's right.

Michael: Does that mean you still have a management board seat on the company?

David: I do.

Michael: And who did you sell the company to?

David: It was a small private equity group, called Fellowship Capital Partners. And one of the guys is also a Notre Dame guy and we had a common connection.

Michael: Great. So you sold Innflux as well as the other companies. And then you sold Power Search Technologies in 2006. So, 2003 was Innflux; 2006 was Power Search. Clearly, a lot of people have non-disclosure agreements. You can't say how much the revenue was; how much the net income was; how much you sold for. But I heard one person describe it nicely. In the sale of those two companies, David, were you able to buy yourself a new watch, a new car, a new house, or a new life? What order of magnitude would you say?

David: The first one was a new house. I would say, if I was very frugal, I could probably make it work with the sale of Innflux to buy a new life. But my life is starting companies and building them and selling them. That's what I love doing. Other than my family, it's my favorite thing to spend my time on.

Michael: Excellent. And I love entrepreneurship. I love the story. So, then you started a new company called iEstates in 2007.

David: That's right.

Michael: And the purpose of iEstates, when you started it, was what?

David: I don't know if we had a purpose. I kept some of the domain names from the Power Search sale, and somebody offered me like a stupid amount of money for one that I thought was a really bad domain name and I was just like, 'wait a second. There's this industry out there?' And so, I'm relatively new to it, so I kind of went on a spree. Most of the names that I have, I bought at auction either through GoDaddy, or NameJet, or something.

Michael: Yeah. And the great domains that we've talked about are PreBuilt.com, which then you built into a company. Polling.com.

David: And Interviewing.com.

Michael: Interviewing.com. And then, MBAs.com. And, if you had to single out one of the domain names that was just performing from a revenue perspective better than the others, which one would you say is doing the best?

David: MBAs is a nice performing site. And the challenge there is it's fluctuating. It's real lumpy. You can have really great months and you can have really bad months. But from just an ROI and return on assets perspective, it's been a great, great investment.

Michael: Great. I'm going to ask you a little bit more about that as well. So you started iEstate sort of as a Holding Company for the domain names that you brought over from Power Search Technologies that didn't go with that sale. And you realized there was a market there for domain names and you wanted to take advantage of some of that. And so, let me back up for a second. You said that, 'we started iEstates in 2007'. Do you have partners; co-founders?

David: No, I don't. I say we because everything I do is team based. But it's my company.

Michael: Got it. And do you have employees that work for iEstates?

David: Yeah. We had guys that were working there full-time. They're not there anymore. And I've got Robin Rayburn who works for me at that company. And we're actually looking for somebody to help out if anybody's looking for a job.

Michael: What kind of position?

David: Just basically managing the portfolio. Dealing with advertisers, optimizing the names, working with my GeoPlatform guys and just helping out. There's never sort of just stuff to do.

Michael: Alright. So you want a good, computer oriented, domain name educated person that can manage the details of iEstates for you.

David: That's right.

Michael: And where should they go to send you their resume or an impressive e-mail.

David: They can e-mail me at DJW@iEstates.com if they'd like. I would give you my Rivs job description, but I don't have the URL in front of me right now.

Michael: That's what I was going to say. Okay, so, give that to me. I'll post it into the article itself. Because it's a very cool system. So you launched iEstates. I believe that one of the first sites that you launched under iEstates' umbrella was PreBuilt.com. Is that correct?

David: That's correct. Yeah.

Michael: So let's talk about PreBuilt.com. What can you do with PreBuilt.com?

David: So we built it because we were tired of using the Excel Spreadsheet to manage the names. It was just horrible. And they were at multiple registrars and I just had no good way of combining everything. So, ultimately we built it as a domain name management system and anybody can create an account there and use it for free for that purpose. And it works great. You can filter by DNS. You can filter by expiration date; by registrars. And then also on top of that, and this kind of goes with the name, we built prebuilt templates that you can apply to each of those sites - anything from lead generation to business directories, regular keyword sites that just pull in news feeds, and so on and so forth. We've got some partnerships with like Yahoo to pull in search queries and all that sort of stuff. But it's a nice little system.

Michael: Excellent. So it's been around since 2009, so it's got some lasting on the Internet. Now, a lot of these types of sites that will help you build a website really quickly, I've heard, have been penalized by Google and

deranked or delisted. Have you noticed anything like that happening with PreBuilt.com websites?

David: Yeah, I wouldn't say deranked. Definitely not deranked or delisted. I think a lot of the problems that you see with those is that they link back to each other and Google obviously doesn't like that. We have that option to do if you want to, but it's off by default. And actually they've been doing fine. I think, if anything though, I can't see it being a long-term solution. If you're not going to put your own unique content on the site, which you have the ability to do, it's not a long-term solution because Google will penalize for that. And we have content writers that we put our own stuff on there, or we'll license content or what have you.

Michael: So why do you offer it for free?

David: Well, the domain name management part is free. If you want to use the premium templates, any of the lead generation or business directory, that starts at five bucks a month.

Michael: Okay. So five bucks a month will get me one website.

David: I don't exactly know. Sign up and check it out. Five bucks might give you like ten website.

Michael: Got you. So, PreBuilt allows you to quickly build websites from templates that you've already setup, that work in different industries, and allow you to then monetize it. Can I put in my own advertising? Can I take my Google AdSense account, put the code in, widget and then drop it on the website?

David: Yes, you can.

Michael: Excellent.

David: Any HTML you can, you can drop in any one of the ad spaces.

Michael: Alright. So you use this system on your own domain names.

David: I do.

Michael: Okay. Is there any particular domain name that comes to mind that I can go to to look at and see it's being actually served up by PreBuilt?

David: Yeah. Like ChicagoBabySitting.com. I don't think I sold that one anyway.

Michael: Okay. Excellent. So you've got PreBuilt up and running. You're buying domain names. You're using PreBuilt to actually build the websites so then you can later sell them or just monetize them yourself.

David: That's right.

Michael: And which one has been a more successful monetization platform for you? Building them and selling them or building them and then monetizing them through Commission Junction or AdSense?

David: Yeah, in 2009 I guess it was, just putting them on PreBuilt and earning advertising revenue was easy way of generating revenue. It's not as good anymore with the pay per click shares. So, we're mostly building them and selling them. That's where the bulk of our revenue comes from today.

Michael: Got it. Okay. So, iEstate.com and iEstate, the company.

David: iEstates.

Michael: iEstates. The majority of the revenue comes from selling the websites that are built using PreBuilt.com.

David: That's right.

Michael: Okay. And other people can do the same thing. So if they own domain names that are difficult to sell without people envisioning what can be there, they can come to PreBuilt.com, build out ten websites for a few bucks a month, and then go out and sell them. And can they actually transfer

the ownership of a domain name that has a website on your system to another account holder?

David: Yeah, it takes thirty seconds.

Michael: Excellent. Alright.

David: And if you're a developer, there's also an SDK - a software developer kit -, so you can actually build your own templates and upload them into our system. And if other people use them, you get fifty percent of the revenue.

Michael: Wow. Nice. Excellent. Alright. So, some of the websites that you've launched within the past year to two years - and I don't know if they're PreBuilt.com websites or not, but let me throw them out -, you've got FindCapital.com.

David: Yeah.

Michael: Is that a PreBuilt.com website?

David: It's not. No.

Michael: Interviewing.com.

David: That's right. That's just a WordPress site.

Michael: WordPress site. MBAs.com, which we talked about; is that PreBuilt or separate?

David: It's separate.

Michael: Okay. Austin.com, which we talked about. And then SimpleStaffing.com.

David: Also that's a separate custom site.

Michael: Alright. So these sites actually have different purposes in mind. You're not building them to sell them. You're actually building them for your own purposes.

David: Yeah, that's right.

Michael: And I'm going to ask you about a couple of those. But a couple of them - Interviewing.com and SimpleStaffing.com - actually are tied to another one of your businesses, called Rivs.com. It's a staffing solution from what I understand.

David: Yeah, it's more like software for staffing solutions. SimpleStaffing would be sort of the staffing solution if you're going down that road. But it's essentially a software that allows you to take the large bundle of applicants that people inevitably get for certain jobs and put these applicants through screens - automated written interviews, automated voice interviews, automated video interviews. And then once they go through the automated screening portion, then you can setup live telephone interviews, live in-browser voice interviews and also video and in-person interviews.

Michael: Alright. So let's run through a quick example. You want to hire somebody to manage your portfolio - to manage your relationships - for iEstates.com. How would you use Rivs.com in order to hire that person?

David: Yeah. So, when you put a job out like that, the more specific jobs, the fewer applicants. So the value preposition isn't always there. But, for example, if we had five hundred applicants to this job. What we would do is, somebody applies, we automatically send them to a three to five question written interview that says something like, 'hey, what is your sales experience? Tell me what you know about domain names'. They answer those through the web browser and, if we like what we see, then we'll send them to the voice interview, which is just a couple of questions like, 'what's your biggest fear?' or 'tell me about your greatest accomplishments' - stuff like that. We're concerned less about the actual answers and more about the communication skills. And then the video is there, but not everybody uses it because not everybody has a camera of course. But it's the same sort of thing. You ask them questions and they answer them. And it really works. So, I rate

each stage of the interview and I pick the best of the best to move on to the next stage. And you just kind of, like I said, take the funnel approach and bring the best of the best in and hire them.

Michael: Very cool. So you do each step individually? So if you were looking to hire me to manage your portfolio, you send me five questions that says, 'how many domain names do you own and how have you managed them in the past?' The second question could be, 'have you managed advertising sales people in the past? And if so, in what respect?' And maybe those are the only two questions you ask. Then I type my answers so you can see how I communicate, if my sentence structure is correct, if I'm using proper grammar - things like that.

David: That's right.

Michael: And if I pass that stage, then you move me to an audio or a video interview. Then you can see how I actually interact with you - if I look at you, or I look around, or if I stutter a lot - and things like that.

David: Yeah, and everybody has their own things they're looking for. Actually, in a best case scenario, you would use the written and the voice because some people shine on one and not the other.

Michael: Sure.

David: But at the end of the day, we have a cumulative scoring system and if they do well on both, I mean, those are the people that you really want, right?

Michael: Right.

David: It's a multistage approach and the person who scores the best, wins.

Michael: Excellent. What's the business model for Rivs?

David: It's free to use it to organize all of your job applicants, and create the jobs, and so on and so forth. So for people apply for your jobs and come into our system, that's free to use. Once we start adding value by trimming that

funnel so to speak by providing the screens, you basically pay per screen. But to kind of give you some metrics, normal staffing companies - that's what they do - they screen. That's the bulk of their employee base. So, a normal person, if they were to post a job, it's going to take two to three weeks to actually do all the screening and say that person is twenty-four thousand dollars a year, that's two thousand bucks a month. If it takes two weeks, it's a thousand bucks. The same thing you can do for less than three hundred dollars and have your results in forty-eight hours, not two weeks.

Michael: Wow. And do you actually do the rating of the individuals that are filling out the written word or the video interview? Or you need somebody from your staff to do that?

David: No, not on the Rivs side. The customer will do that. Simple Staffing - the sister site - is more full service. We'll actually say, 'listen. You give us the job. We'll post the job. We'll do all the ratings. We'll deliver you the top ten candidates for a thousand bucks'.

Michael: Got you. Alright. So it seems like a pretty technical software solution. How did you develop it?

David: We have a team of developers that have worked with us for a long time and the same guys have built PreBuilt and all of our software at Tantus.

Michael: Excellent. What was the original need? Why did you even think of the idea to come up with an automated job applicant screening process?

David: At Tantus we were hiring a lot of tech support customer service people and we would put these jobs up and get seven hundred applications. And we're just like, 'there's no way we're getting through all these'. And at fifteen bucks an hour, is it even worth the time to sift through a thousand applications?

Michael: Right.

David: So we just built a very rudimentary system that was used in-house. And when we sold that company, we decided to take some of the proceeds

and actually build this into a system that other people could use. And so far it's been great.

Michael: Yeah, it seems like a great solution. So it's optimal for high volume job applicant positions - five hundred people applying for a minimum wage position, or a technical support position, or something like that. What happens if you only have a job where you get ten or twenty people? Is it cost effective to use this solution for that type of predicament?

David: It's actually very inexpensive to use at that point. The organization of the applications and applicants is still a very nice value and none of the automated screens you have to use. They're just optional. In a situation where you're hiring for maybe a higher level manager or something like that, or a smaller number of people, you may just end up using the live voice, or video, or in-person scheduling system, which allows you to schedule the interview. Especially the live voice - this is nice - where you schedule the interview and then both people call into the same number that records it and stores it in the system so that if you want to go back and listen to it later, or somebody else in the company wants to listen to it, they can do that too.

Michael: Oh, that's a great idea. And so, Rivs - is that an acronym for something?

David: Yeah. It was originally recorded interviews. Because the original idea was just to have the voice interviews - just record the interviews - and use that as a filter. But it was too narrow and we decided to build it out.

Michael: Got it. So a four-letter domain name. Clearly has value in the world. But I couldn't figure out what the acronym stood for.

David: Yeah, it was record interviews. And it was a funny story because I had to track this person down. It took me almost two months to acquire this domain name. One of those where you reach out, you e-mail, you call Eastern Europe and I'm just like, 'oh'.

Michael: Do you remember what you paid for it?

David: It wasn't too much. Maybe a couple thousand dollars. It wasn't too bad.

Michael: Sounds like a good purchase. Okay, so, Rivs, itself, is a domain name that doesn't necessarily mean anything off the bat. And you've used a couple other domain names in order to actually do marketing for Rivs, or to increase the revenue of Rivs. SimpleStaffing.com and Interview.com. And, for all I know, you may have other domain names as well. Tell me how your domain names fit into the marketing platform for Rivs and how they support revenue generation.

David: Well, SimpleStaffing is a Rivs domain name and site, and Rivs is a separate company, and Rivs owns Simple Staffing. Interview is part of iEstates and it's a separate site. It's always been a separate site and really there are just some synergies there where Interviewing has a built in advertiser, for example. If they don't sell other advertising, we're always there to pay for advertising. But also, I think, Interviewing, itself, is just a great name and it kind of allows me, personally, to get a little more involved into that community - because I haven't really been in the past. Robin, who is running that site, and I are both very clear that we're making that an independent site, so we're not pushing the integration too hard.

Michael: Got it. So the Interviewing website is an evergreen content website that is trying to rank high for various topics related to interviewing.

David: That's right.

Michael: And then you're selling advertising primarily to whom?

David: Well, to us - Rivs- first. But I think staffing companies are about to advertise on there. We've got other software solutions. Job boards of course. HR is a big industry right now and having been doing this for about six months, I'm starting to see that there's about to be a huge revolution and technology is going to play a huge part in that. Just the way that staffing has been done and recruiting and everything has been so archaic up until, really, about a year ago. And I think really what turns some heads and really validated this point was that Oracle bought Taleo, which is basically just an

applicant management system. A little more advanced than what we have, but basically the same thing without screen element of it. They bought them for two billion dollars, which is a hundred and thirty-six times earnings. When you pay a premium for something like that, you know that the industry is about to change.

Michael: Yeah. So they take it; they roll it into their ERP system. But there's a lot of companies that don't want an enormous, seven figure, ERP system that are looking for other types of staffing solutions.

David: And I've been on both sides of Taleo and it works, but it's made for everybody and it can be cumbersome.

Michael: Definitely. So SimpleStaffing.com is a website that you use to try and get more customer for Rivs.

David: Yes and no. It's not meant to drive customers to Rivs. Really, Simple Staffing is using Rivs. So we have our own team here. People come to SimpleStaffing and say, 'hey, I don't want to pay twenty percent of one person's annual salary to get placed. I want to do all the interviews. I've been doing the interviews anyway'. They say, 'just deliver me screened candidates - guys or girls that fit these criteria - and put them through the written interview; put them through the voice interview'. And so, we do that ourselves and we rate them. And then we take the top ten, top twenty, top thirty - whatever they've order - and just deliver that via an online interface and then they take it from there.

Michael: Got it.

David: For a flat fee, which, if I had this two years ago in my business, that's all I would've been doing.

Michael: Yeah, definitely. And so, Simple Staffing then actually signs into Rivs and uses the Rivs system.

David: That's right.

Michael: I'm wondering if people are out there and they own StaffingSolutions.com, or QuickStaffing, or other websites and they want to develop a business, can they do the same sort of thing, David, where they plug directly into Rivs, they use your software, they monetize their customers, and just pay you the fee that helps them do their job more effectively?

David: Yeah, that's right. Simple Staffing is a completely separate site. We just have an API going between the two. It was pretty simple to setup. And, yeah, if people want to do that, that's a good idea.

Michael: Excellent. Alright. So, Interviewing.com is under iEstates.com - iEstates umbrella. Is Rivs under iEstates as well?

David: Rivs is not under iEstates.

Michael: That's a separate entity.

David: Yeah.

Michael: Alright. So let's get into a little bit more about iEstates. We talked about PreBuilt. You're using that to develop out the websites. How many developed websites do you have right now?

David: Using the PreBuilt platform?

Michael: Well, just total under iEstates.

David: They're all developed.

Michael: Every single domain name you own is developed into a website?

David: Yeah.

Michael: Wow.

David: Using the templates, of course, but yeah.

Michael: Ninety-five hundred domain names are either developed or developed using PreBuilt.com.

David: That's right.

Michael: Wow!

David: Well, we built PreBuilt to do that.

Michael: Yeah, Jeez. I've never run into an entrepreneur that has actually done that for their entire portfolio.

David: Well, I don't pay anything for it.

Michael: Yeah, sure. So, since all these websites are built, they're all being indexed by Google - I don't know how well -, do you have any indication of how many visitors to all the different websites in your portfolio?

David: Yeah. I think last month we had maybe 1.3 million uniques across the platform.

Michael: Phenomenal.

David: I don't know - ten million hits or something.

Michael: Yeah. So, wow, that's a phenomenal number. And you generate revenue through the advertising that's displayed on the websites.

David: That's right.

Michael: And can you give you an order of magnitude for the revenue that iEstates.com generates per year?

David: As a company, we're in six figures. Mid-six figures.

Michael: And the main sources of income to iEstates, would you classify it as commissions, like hotels and flights, or would you classify it as direct sales or passive advertising, like AdSense? How do you think it shakes out?

David: Mostly sales. I would say at least half are sales.

Michael: Okay. So you have sales people that actually go out and say, 'do you want to buy advertising on this site? Here's the per month cost, or the CPM cost, or the CPA cost, or what have you'.

David: No. Mostly sales of actual sites.

Michael: Oh, the sales of the actual sites. Okay. So not commissions, not advertising either active or passive, but building out the sites and then selling them every month.

David: That's right.

Michael: Alright. So let's talk about how you do that, so if there's other people that want to start using PreBuilt or they want to build our their own websites, they can look at generating revenue that way as well. Let's say that you build out a website. Do you wait for somebody to come to you and say, 'I'd like to buy it', or do you actively promote it to other people?

David: It depends on the site. If there's an easy identifiable market for that site, then I've got a team over in India that basically puts together a couple hundred potential buyers. We get business names, phone numbers, e-mails if they can find them, and then we just go, give them a call or shoot them an e-mail and say, 'hey, we're going to put this site up for sale or we might put it up for auction', and just give them an opportunity to buy it. And we're also known in all the markets - Sedo and Afternick, and GoDaddy and stuff.

Michael: Got you. And so one of them may be ChicagoBabySitters.com.

David: Yeah, I don't know. Babysitting or something like that.

Michael: Babysitting - something like that. So you would identify babysitters who have a business in Chicago. Then your team in India would send them an e-mail saying, 'hey, we've got this website'. Would you say it even has traffic or would you say, 'we've got this domain name and website; and we're going to offer it for sale'?

David: If it's got nice traffic, obviously we'll talk about that. But normally people don't care that much about traffic. Mostly it's like, 'oh, hey, that's a great name. It'd be great for my businessÕ. Some people get domains; some people just don't.

Michael: Right.

David: The majority of them (Unclear 33:34.7) domain name for my business.

Michael: Yeah. And so, what do you typically sell a domain name for?

David: I think we figured out our average was about seven hundred and fifty bucks.

Michael: Okay. And do you have any statistics around the standard deviations? Do you sell more of them between - you'll never go down below - three hundred and three thousand?

David: I mean, we don't go below a hundred dollars. But if I'm really trying to liquidate then I'll go down below that. We've had some sell like that in the mid-four-digit range, but that's pretty rare.

Michael: Yeah. Alright. So, to get a six-figure company on seven hundred and fifty dollars per sale, you have to move a lot of sales.

David: Yeah, you do.

Michael: So you've got a team in India that will go out; collect the information; generate the sales for you. Then when somebody actually has interest, does the team in India send it to you or your team in America?

David: Yeah. In fact, the reply addresses come back to us and then we just kind of take it from there.

Michael: You do the negotiation from there.

David: That's right.

Michael: Okay. And once they actually buy the domain name, do you have a contract? How does that work?

David: It depends on how comfortable they are just sending payment. But we have our own invoicing system and we usually will just send them an invoice to pay online with a credit card or PayPal. Some people are not comfortable with that and they want to go through escrow. And that's fine, but they have to pay the fee. But we've done enough of these, so it's a pretty smooth system. But we don't really have a contract. People have trust in us.

Michael: Got you. Yeah, it's like a product that you're selling. So they get to see it, you send them an invoice - that's their proof that they're buying it. And do you find that you need to set the price in the e-mail when you e-mail them originally? Like when you tell your India team, 'I've got these five domain names. Here are the price for each'?

David: So, within PreBuilt, we have a function that allows you to put in your asking price and your for price. I think Afternick does that too, but it's essentially, you always want to anchor your asking price high of course. And, actually, to be honest with you, like through GoDaddy Premium Names, we actually make a lot of sales just off our asking price. It's kind of surprising actually because they're pretty high for the quality of the names. But, yeah, you want to anchor it high so that people feel like they're going to get a good deal.

Michael: Right. And is it you actually doing the negotiations of those e-mails that come back to you?

David: I'm doing it right now. I prefer not to.

Michael: How many e-mails do you have to deal with on a daily basis would you say?

David: I don't know. Hundreds.

Michael: Hundreds per day?

David: Sure.

Michael: Wow!

David: Not just iEstatesÕ e-mails, but across.

Michael: Right. How many offers would you say you have to negotiate every day? I know that not everything closes everyday, but is it a couple of handfuls?

David: Ten to twenty probably on a daily basis.

Michael: And do most of them actually work out or would you say a majority of them don't work out?

David: Depends on the mood I'm in that day. If I'm looking to do some deals. Sometimes I'm just like, 'look, listen, I'm not going to do it' and I'll try again later or something. But if it's a Friday afternoon, you can catch me in a good mood.

Michael: So that's the lesson learned. If I go and do a WhoIs and it says, 'iEstates owns it', I want to e-mail in on a Friday. Make sure it's sunny in Chicago. There's a home game that evening. Something like that?

David: Yeah, you got it.

Michael: That's good to know. So it seems like a pretty straightforward solution. You use PreBuilt as the technology to build the websites so people can see what it looks like. Does it require a lot of time to actually think

through which template is best and then actually populate the template with information?

David: No, not really. The system will pull out keywords automatically from the domain name and within each type of template, like there are limo business directories and travel, of course, hotels and just general business directories. It doesn't take much time. I think realistically, if you had a thousand domain names, it might take you a day to actually do all of them.

Michael: Wow.

David: The whole system was built for one person to manage a lot of domains like I'm doing. So there's definitely a lot of easy bulk products and services in there.

Michael: Excellent. Well, I think I'm going to have to try it out. So all I have to do is point my DNS at whatever PreBuilt.com tells me to do, pay my money, and then I can go and build them all out.

David: Yeah, that's right.

Michael: Excellent. Alright. So, we talked about the technology. We talked about how you're marketing these for sale. If other people had two thousand, three thousand, eight thousand domain names - same order of magnitude as you, David - and they weren't doing anything with them right now. They are just passively waiting for people to e-mail them. Would you recommend that they spend the time to build them out from an AdSense or revenue generation perspective, or would you say, 'I don't actually see that much revenue. Build them out so that you can sell them, and so that people know what they can look like, and maybe so they are ranking well'?

David: I think it all depends on the quality of the names. If they're not very good quality names, I wouldn't spend the time building them out honestly. I would just park them and drop them if they're not doing anything. But if they're good names. My litmus test for buying a lower quality name is, 'can I think of at least thirty businesses that would want this name?' If I can't do that

and if I can't go onto a local search and find businesses - at least thirty -, it's not going to work.

Michael: So you're saying not business ideas, you're actually saying businesses.

David: That's right.

Michael: So, can I find thirty businesses that would want to buy MBAs.com?

David: Right. Exactly.

Michael: Okay. Or Polling.com; clearly, you can go out and find a number of survey companies, poll companies, customer research companies that would probably love that domain name.

David: Yeah. I'm going to develop that one though.

Michael: Right. Don't make an offer on that one. ChicagoBabysitting.com - does that become more difficult because now it's individuals; it's a company. Is that how you differentiate company versus an individual?

David: So, Chicago Babysitting - there are actually a lot of baby sitting agencies in Chicago. And those are the ones that we target. We don't actually target individuals. And none of our sites are individual based. They're all business based.

Michael: Alright. And so, whether it's a high quality or a low quality is whether you can find thirty companies that might be interested in buying the domain name. Do you look at keyword traffic, exact match traffic for any of the domain names? Any other indicators like that?

David: It's a lot less sophisticated than that. Literally it's like Local.Yahoo.com or Google Local. You just plug in the keywords and if a ton of businesses come up, then you buy the name. At least that's what I used to do. I don't buy names anymore except for ones I'm planning on developing.

Michael: Got it. Alright. And so, one of your recent purchases was MBAs.com. Did you buy that before or after you started your Executive MBA program?

David: After. About a year after.

Michael: And was it influenced because you were in the Executive MBA program?

David: It was a little bit. One of the things that I'd always had a problem with - because I'm not really looking for jobs - was that I was noticing that there was no like MBA specific job board. So, the end game really is to build that onto the site. It's a lead generation right now for online MBA programs. And, like I said, it works great. And there are a lot of people that pay a lot of money. Pay per click on online MBAs, by the way, is a lot.

Michael: Yeah. It was a while ago that I looked at it. It must have been like thirty, forty dollars a click - somewhere in that order of magnitude.

David: I don't think it's quite that much, but it's like eight bucks.

Michael: Eight bucks, okay. I might have looked at Executive MBAs or something like that. So, MBAs - it's a high cost per click. Did you build out the website yourself or did you buy the website with the domain name?

David: No, I bought the website with the domain name. We did add a job board to it, but we're not promoting that yet.

Michael: Okay. And so, did you buy it based on a multiple of earnings?

David: No, not really. I think it just seemed like a good price. And I think those guys were trying to get rid of an asset before the end of the year and I was trying to by assets before the end of the year, and it just kind of worked out timing wise.

Michael: I think you said Domain Holdings helped you purchase it. Did they own it?

David: No, they didn't. And you'd know who it is, but I can't think of the name off the top of my head.

Michael: Okay. And so, the main business model behind MBAs.com is lead generation at this point?

David: That's right.

Michael: Okay. And who pays for those leads? Is just Google AdSense, or do you use a lead company?

David: We go through a lead company - Education Dynamics. I think their website is ELearners.com. And so, they've been great to work with.

Michael: Excellent. And so, are you able to talk about the order of magnitude of the revenue generated from MBAs.com? I think a lot of people maybe have great domain names like this that are high cost per click - they're highly educated people that are looking for healthcare at a certain level or education at a certain level - and they're not sure what kind of revenue they can generate if they put in the investment to build it out and create a relationship with a lead generation company.

David: It'll do three to four figures a month. So it's not huge, but we're also not doing anything with it. And I think if we could get a good pay per click campaign going, we could probably do a little bit more there.

Michael: Definitely. And if somebody has another domain name like MBAs.com, would you recommend using a service to build it out? Can they partner with you on it since you have a platform already that they can just give it to you and you'll customize instead of MBAs, it's PhysicalTrainers.com or something like that?

David: Yes and no. I'm not selling, directly, the online leads that are going through that Education Dynamics Company. And if you're doing online

MBA programs, I don't really want the competition, but they would be the people to go through. They'll actually sell the leads for you and then you're just the channel there. In terms of the actual platform, I think they did most of the work. I didn't do any of that.

Michael: Got you. Okay. So they did most of the work. Did you actually have to pay them money to the development of it?

David: No, that was already pre-done. It was done when I bought the site. So we're just trying to promote it a little bit more.

Michael: Excellent. And do you continue to do marketing for MBAs.com? Or are you looking, mainly, for the search engine optimization?

David: Search engine optimization. I've been toying around with a little pay per click campaign, but it's very competitive and it's difficult to get good clicks. I own a website called TheBannerExchange.com, which is a free banner exchange. And it does - I don't know - a hundred million impressions a year or something. So that's kind of a default banner.

Michael: Great. And so, one of the growth areas that you're looking for on MBAs.com - you've got the lead generation that's currently running - is growth in the jobs area. Is that correct?

David: Yeah, it is. We're looking to build out our job board. I want to, if I get some more help, that would be one of the first initiatives. To actually build out that job board. Start promoting it. I think online MBAs, from an online perspective, that's where the money is at. But, really, it would be nice to have a nice site that promotes all MBA programs. The best MBA program plug.

Michael: Is there a way to tie in Rivs as well on the jobs board? Are you looking for that type of synergy?

David: Yeah, there is. The platform we're using today doesn't have that functionality. But once we start working the e-mail database, it's likely what we'll probably do is, if somebody signs up to post a job or what have you,

we'll just send them a follow up e-mail, 'hey, if you need some help managing your jobs, feel free to use Rivs. Here's a code'.

Michael: Great. Alright. So I'd love to know, because I haven't gone through an Executive MBA program myself, David. You're at a different point in your life when you go through an Executive MBA program. You've been through some trials and tribulations in business. You started a couple companies or multiple companies and you've actually had a successful exit. And so, going through an Executive MBA program now that you've done that, I think, has the opportunity to provide even more to you. What have you learned by going through the program as it relates to iEstates and your domain name portfolio? What's sort of been a light bulb learning moment that you've been putting together by this new education on top of your experience base?

David: I would say that it's helped me sort of focus on the high level opportunities a lot more. And I always knew that was the way to go, but nobody really kicked me in the rear end, so to speak. And after kind of going through this program and just really realizing that, hey, there are tons of huge opportunities for everybody out there. But you got to stay focused and I get caught up in a lot of the day-to-day stuff of iEstates that doesn't really make any money and it causes more headaches than it really prevents. So I would say, if anything, it just help me sort of refocus on bigger projects and developing names - really going all in with those names versus just spending a few minutes here and there with a lot of different sites.

Michael: Can you give me an example? Can you give me a concrete example of a high level opportunity that you should've been focusing in on prior to going through the program that now you're spending more time focusing in on?

David: My Innflux Company. I was really, by the time that we'd made the decision to start looking for buyers, spending ten to fifteen hours a week there. This is a company that was doing fifty percent even to margins and it still has incredible opportunity there. And I didn't spend any time with it. And I was wasting too much time buying up subpar domain names.

Michael: Got it.

David: I would say that's probably the most concrete example.

Michael: Alright. And the good example of what you were spending your time doing is buying the subpar domain names that you've been blowing out for the past couple of years selling for a few hundred dollars a piece.

David: Yeah, exactly.

Michael: You could've been adding millions to the bottom line on the business and instead you were buying hundred dollar domains.

David: Yeah. And it's just not sustainable. Work life balance is awful. And you just can't ever step back when there's so many things hitting you at so many times. And you can't step back and be a big thinking and be a visionary when you have to deal with e-mails to sell a domain name for two hundred dollars ten times a day.

Michael: Yes. Alright. You need an automated system like Rivs for selling domain names, where you can get people to negotiate with themselves before you even get involved.

David: There you go.

Michael: Alright, David, the final question is this. What is the first thing a domain name entrepreneur that's watching this show should do after watching this show?

David: Honestly, I would say trim the portfolio. Get rid of the fat. Get rid of those ones that are no good. And you know they're no good, you just have this love affair with them, right? Get rid of half your portfolio.

Michael: How do you know they're no good, David?

David: Well, you just kind of feel it. Like this is not one that I should be holding on to and nobody is ever going to buy it; and you just keep sort of talking yourself into it.

Michael: Yeah. Alright. Should people actually go on GoDaddy and physically drop it. Not wait until it expires, but go and actively drop it?

David: I would go to GoDaddy Auctions.

Michael: List it in auction?

David: List them in auctions, yeah. Put them up for twenty-five bucks or something and just see what happens.

Michael: And just get rid of it. Because it's automated. If it's at GoDaddy and you sell it through there, or it's at another registrar and you sell it through there, your hands are off and the money gets deposited for you.

David: That's right.

Michael: Alright. Excellent. Good advice. If you have a follow up question, please post it in the comments below and we'll ask David to come back and answer as many as he can. If people want to follow you, David, are you big on Twitter? Do you post updates?

David: Yeah. DavidJWieland on Twitter.

Michael: @DavidJWieland. And this is the point, David, where I urge the audience as I always do. If you received value out of this interview, which I know I did, go out of your way and say thank you to David. When you reach out and do something as easy as saying thank you on Twitter or posting a comment below, you start a relationship and that's what business is built on. So I'm going to say thank you again right now by mentioning David's businesses at iEstates.com and some of his fantastic products like PreBuilt.com, where you can manage your portfolio for free and also build websites - hundred or thousands of websites - in a day and have them up and running. And Rivs.com if you're looking for automated staffing solutions. Or

you can actually go to SimpleStaffing.com, which is a front business for the Rivs back end. David Wieland, CEO of iEstates.com. Thank you for being a domain sherpa, sharing your strategy and tactics on growing iEstates and the portfolio, and thank you for helping others become more successful domain name entrepreneurs.

David: My pleasure. Thanks, Mike.

Michael: Thank you all for watching. We'll see you next time.

Watch the full video at:
http://www.domainsherpa.com/david-wieland-iestates-interview/