

Buckle your seat belts. On today's show we have top global influencer, serial entrepreneur, Matt Barrie. While we're specifically discussing his acquisition of escrow.com his strategy in acquisitions in general, we learn so much about what he sees in the domain industry behind the scenes at escrow and also just jam packed with commentary about what are the best approaches for entrepreneurs. Tips of the trade. You don't want to miss one minute. Enjoy!

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Hey Sherpa Network. I'm Tess Diaz, executive producer of domain sherpa.com and today we have Matt Barrie of Freelancer.com, Andrew Rosener, CEO of media options.com hi guys, how are you doing today?

Matt Barrie: Thanks. I mean, great.

Tess: Delighted to see you again. Matt. Uh, Matt, you, uh, came into the freelancer space by such an unexpected route. I'm very interested to hear a bit about it. Um, so you're already an experienced entrepreneur. You a registered I love, uh, bid it out.com back in 2008 and then eventually acquired, get a freelancer.com. Is that right?

Matt Barrie: That's right. A \$7 budget for my first brand. I couldn't get a mini your options. Yeah. Yeah. So yeah, I, I basically, I um, yeah, I stumbled across GetAFreelancer and I was trying to get the trunk of a website, help my mom out and um, I uh, need to get some data entry done and uh, couldn't, couldn't get a little, little brother or sister, a friend of mine to do the job that you're in Australia cause they are lazy basically. Yeah. And so I talked him to Google late an entry online or something rather than I found, get a freelancer and I posted a job and um, the rest was history. Uh, you know, I, I blew my mind. Sorry.

Tess: Yeah. So, um, so you started out with bidded out, then you acquired the company, get a freelancer.com. Um, and how did you transition to freelancer com? Not I, you know, certainly want to hear a little bit about acquiring the domain, but also, uh, you know, you went somewhere from a \$7 a brand name in the beginning over to absolute global dominance with freelancer.com.

Matt Barrie: Yeah. So what happened was, um, I had left my last business, which was a semiconductor company and they hadn't really said the well on fire at the time, but it ultimately assaulted Intel. That's a happy ending eventually. Um, and I was looking somebody too, and I'll sit to my mom in 1995. You should do it on a website to sell her. Um, she says wholesale ops across paints, glues, things like that. And she had a website in 1995 she would be a pioneer in ecommerce. Right. Like pioneer. Right. Cause I was, I was doing my [inaudible], I was doing my um, uh, finished my honors degree in computer science and Spec doing away from engineering. So I was like, you should build a website. Right. And so 2007 comes along and she still doesn't have a website. She's still photocopying bits and pieces on the photocopier. I mean, just, I didn't

know how the business ran. It was just dissolved 10,000 products. So I said, okay, I'll go your website.

Your mom is an entrepreneur. Huh? You think that's true? Yeah.

Yeah. And yeti did a better job, but uh, you're right that in your mother's Day cards.

No. Anyway. Uh, yeah, she, she, she trailblazed a path through Etsy, um, five different business anyway, but, um, she says more of the stuff that people use it Etsy to, to build upon. But um, but, uh, you know, I, I was trying to get this data entry done and I, um, I was just as frustrated. I couldn't find someone to do it. I would have loved to have done this at home. I said, yeah, fill in a spreadsheet and name of the shop phone number, address. Yeah. I want a thousand rows to pay \$2 per row with \$2,000 a work to it from home. On the computer and you're end time, you know, I would have loved to have done that. I had a paper route and medals and things like that. As a kid. Yeah. Multiple paper, hard labor. Never mind getting an injury.

Exactly. And you know, I guess I just Kinda have to do it right. So then I talked to the Google cheap debt or into [inaudible] or something rather than I found get a freelancer and it looked terrible. It's fine. I mean it's like craigslist. I was just great, horrible looking website and I posted a job and um, went to lunch and I forgot. I posted the job and I came back to my email and those 74 emails saying, I'll do the job for you. And I was like, this cannot be real. I just thought this is, this is impossible copy room. There's no way that they're sending for people wanting to do the job. I can't get one. I went through and I said, Oh wow, there's actually people here and they're actually up beating on my job. I said, well, how take, why the people bidding less than \$2,000 so the budget's \$2,000 people being 1,500 and 400 300200100 otherwise would be \$100 this is the budget, \$2,000 this is ridiculous.

And then just discovered people, people from emerging markets around the world and you know, look at wages globally at the time. And I should have, yeah, I grew up in Jakarta, so I should've known this. Right? But somebody just didn't think about it. Right. And um, I don't know. I didn't know then. Then I got the job done in three days and the job was perfect and I didn't have to pay until the job was done. And then I just thought, oh my God, this changes everything. Right. I just thought, this is just phenomenal. I can hire an army of people to do anything I want. I should build a business with this. What is it, a business? Should I be like, I'm doing anything I can, you know, and I, I was, I was there at home by myself and I was like, wow, I can do a whole company that having a hot people.

All right. And, um, what sort of company should I build? And I thought, well, actually I like this website, get a freelance and maybe I should try and copy it. Right? And I saw this few other projects and get a printed copy and get a Francis. So I thought, why don't I do that? So I started reading out, they'll call them and I downloaded them social engine, which is why I will Facebook and I hack together classifieds and module and I was hiring freelancers off, get a transfer the copy, get a freelancer and then um, and ultimately get a, France was copied off script. Lance, it's an upholstery plants as well. Um, uh, but I, I, uh, you know, you've got it going and then I did it at a set as spice knows a couple of hundred, um, companies in the spice is that doesn't have some sort of traction, a lot of traction back then.

And I thought, no one's going to fund me to number 13. So, um, meg, I need to buy Rosalind build. Um, and so I went to half a dozen of the companies in the sitting on the sales me and, um, I feel them. Yeah. And the best is actually we'll get a Francis cause had the best traffic cause had the best SEO. Um, and um, long story cut short, I bought it. And, um, you know, the rest of history is doing \$1 million a year in revenue as a 5,000

biggest website in the world and a half a million users on it. And I raised the money to buy the business and not as simple, didn't raise any operating capital. I just bootstrapped it from that. And um, took a public four years later at 1.1 US billion dollar market capitalization. So that was um, that was fun. Amazing. As a six to 16000% returns for the, some, some guys who gave you five grand here earlier? I thought, I think five grand. 10 into \$890,000. Wow. Yeah. No, let's go say about five grand tender. The 25 million I saw that recently came out. Unbelievable. Your first domain name ever? No. Okay. No I have, I have a lot of domain names from a long, long, long, long, long time. It guys were just not ICX. In fact, I just got a class C a IP address range, transfer it to me from APNIC because I registered domains so early that had a, they used to give away 256 IP at the same time. And I've just been sitting on the records for ages. Like I finally got around to saying, Hey, can I get the IP address range? And they're like, okay, we've got a single bunch of documents I had to go get like all these signatures from people from 1996 I hadn't seen before and a long time. And I got it. So a state. So I, I, I couldn't afford it actually back then. I, um, I had always demand nights where just to, that I couldn't afford, cause it was um, I was as a poor student, it was 35 US dollars a year and you have to do minimum two years registration back then. And we had old [inaudible] I had all sorts of names or just early, early, early days. Right. So on all of them. No, I've got some of them still. Um, I've got, I've got a bunch of strange ones. Um, but um, yeah, back then I didn't really think about, well if this gets big, should I own the canonical name for the industry? Instead I was like, oh, this is kind of a fun name. I'll reach to that. Right. Uh, so yeah. Um, a lot of regret actually cause a, I could have made I lot of money from that.

Okay. Yeah. You've invested well over the years. So what you bought, how many different freelancer companies think about 15, 15 companies. And you bought the domain name, freelancer.com. Was that a company as well when you bought it?

That was just a to mind that it was actually a guy who had a magazine called computer freelancer and the magazine had gone out of business and he was a British guy living in Canada. And um, he used to have the domain name suborders off him and actual fact, I actually think you would probably have to tell me, uh, what was the most money someone pay for a domain name in 2009.

Wow. Well, so publicly I should know this. I should look it up.

I think it was, I think publicly it would have been the sale of sex.com that first time, which I think with 9 million.

What was that? 2009 was it?

Yeah. And then it's all again just shortly after that. 13,000,013 something.

Um, pretty sure on my page in the top 10 for that year. Yeah. I'm pretty cool for the year I paid, I paid \$325,000 for it.

Yup. Fantastic. Which there were tons of domains changing, hands up.

Both presses, just like dressing, you know, flipping to to escrow.com.

Putting your [inaudible] hat on for a second. Is it fair to say that a domain sells for \$1 million or

uh, you know, every business day on average. Okay. Uh, I don't know for sure. Uh, if that's correct, but on side it'd be pretty close. Yeah, I'll have to, I'll have to check. I mean, I don't sit there and look through every transaction that goes through.

Yeah. That's a big change for 2009.

I mean, we did, uh, no, they'll do, it's about that on average. Well, at least, at least what, I wouldn't say actually \$1 million for one domain, but we do about a million dollars a day up to mine.

Okay. Okay. I mean, either way from 2009, that's a, that's quite the increase where 325,000 is in the top 10 of the year. Uh, yeah. Um, so what did you pay to acquire 15 companies? Just to compare. Okay. Oh, I have to a lot. Um, I've, I'm a deep value investor, so I don't want to pay a lot, no show with Matt just on his negotiation strategy. I'm very funky negotiated with him. He, he's a, he is in the upper echelon. Let's say you printed out actually as well. Quite a good negotiator. You were pretty good. I didn't, I didn't actually go that Harpole cause I think she thought what I bought from this fairly cheap if it, uh, yeah. Um, Andrew's pretty good. Um, but yeah. Um, yeah, so yeah, I look, I, I can't let me add, add it all up in my head. Probably in US dollars it would be, um, on the 10, um, I think a little bit on the tape, 10 million. I want to ask you, um, just sort of business general business strategy. Like you've clearly taken an approach of, you know, acquisitions, um, not that you're not targeting organic growth, but you're, you've clearly had a, a lot of focus on acquisitions, acquired your competitors, uh, you know, basically by market share. Yeah. Uh, is that something that you think, is that a strategy that you, you, you utilize specifically because of the niche you're in? Um, or is that something you feel in general is just a strong strategy? Well, with marketplaces, um, I think it's a great strategy. Um, you have to buy them all, all of them. Okay. The trick is trying to get them a good price at the right time. And you gotta be patient over many, many, many years. I mean, this business, I've tried to buy it in the Francis Spice embarrass nations and things that I've had an a on the list fed six, seven years and I still have much to bother because yeah, someone doesn't want settlement across. Um, you just need, you need to just find the right day. Right. And Yeah, you, you would know this is just the road that comes along and that happens, right. For various reasons. Right. So, um, yeah, patience and persistence. So, um, yeah, so the thing is that, um, with marketplaces, you want to pull liquidity, you

get them as much as possible. Right. And I don't run them separately. I've shut down, everyone was Frantz businesses and this thing, I just pulled the liquidity. Right. And that made us unstoppable. I mean, we've a lot more freelancers than anywhere else in the world. 33 million. I mean, we can, you know, I think 14,000 or something sung up to date chicken got some way. So, um, you know, uh, so you know, that's such a moat around the business. If you're trying to start a business from scratch now I go off of this.

She couldn't do it right when you, the time you get to a million years is I'll be at 100 million Ryan. So good luck. All right, so it doesn't work. It doesn't work everywhere. I didn't have a good

look@thescrowspaceafteriboughtescrow.com and I talked to a lot of the niche players throughout there, um, about acquisition and I just formed a few. There's just no way I can acquire any of them because the problem is it's a regulated financial services business. You take on all the liability and all the risk of previous transactions and none of the competitors, the licensed properly, right? They've all got, you know, zero or one license.

Right. And as, as I've said to you before in a previous episode, you know, the u s 50 states affordanet require loss seeing six territories. You need 52 financial service losses to operate in the United States alone. Yeah.

Okay. Oh, sorry. Every business you're in, you really dominate and you do, you build a moat with um, acquiring competitors and then you acquire the, um, as you like to say the Cononical, uh, name for that industry. That keyword category killer is, um, it's, it's quite the strategy. Do you find that there's a timing in balancing those two types of acquisitions when you wanna buy the category killer and when you want to buy out the competitors?

I buy the competitors whenever I can fold them. I think they're a good price and I buy the design when it's shaped like, yeah. Yeah.

Fair enough. Fair enough.

Yeah. I mean the problem, the problem of value, the problem with value investing as you can wait a long time, right. My mentioned investing, you just ride the wave, you pay whatever. Right. And that's kind of what happens in silicon valley is different kind of highs more and more and more and more and more. Yeah. Hopefully you get to the promised land before the music stops with value investing can be, you could be waiting a long time before you yeah. The market tents. Right? So yeah, the market, the market can stay the a the market. What is the expression? The market can stay irrational longer than you [inaudible] stay liquid. Yeah.

I wanted to

ask you, um, you know, some of that sort of the broader, you know, this is domain. Sure. But I, I don't, we, we had you on to discuss escrow.com and the domain market, but I think that there's some macro trends that are really interesting for both sides of that business. For the freelancer side of the business. And obviously the reason you've got to, to, to escrow and your personal is both professionally interesting domain names. You know, these things all tied together. They're all part of one bigger picture. So looking at some of those trends, like there's two really big things that I feel are opportunities, uh, for freelancer, uh, but also in the domain space. One of them being the concept of like decentralized organizations. And you had talked about how getting into freelancer today, you know, that was kind of the idea, oh my God, I can start a company and not have any employees.

And that concept of has, has there are multiple iterations of the last decade, uh, since you originally had the idea. Um, you know, I, I has adapted and I'm, I'm an event, I'm invested in, in a company that's trying to create infrastructure around creating these, these, um, decentralized organizations. It's called [inaudible], uh, I-Corps. But, um, I feel like, I feel like freelancer could be the nucleus of that entire way, that dire trend.

Because, you know, you, you, you mentioned that, you know, providing some of the silvery services to these freelancers is difficult, like health care insurance and things like that. But I feel like, you know, cap tables and, and, um, just being the glue that brings together those various freelancers and roles together with the objective of the, of the organization itself and basically assigning values to the various roles and inputs that go into this organization and then distributing the outputs that are earned from the organization. Um, I know that's a complicated way of expressing these question, but is that something that you've thought about or do you see that as a trend the way that I do like sort of a movement towards, Hey, here's somebody, like even media options. I mean, we're not totally decentralized in the sense that we are a, you know, we're an organization owned by one person that, you know, has employees even if our employees are distributed. Um, but you know, maybe we're like one leg in the water towards a distributed organization. Is that the, yeah. Coming about? Is that something that you see as viable, sort of a fully decentralized organization? Is that something they absolutely, we, we actually in the frantic, brought a group with a number of businesses which, uh, are horizontal platforms, um, that enable this. So france.com it's a global marketplace for Leyva, right services. So you can hire a team, you get to 10. There's that spark of an idea into reality. We have escrow, which is a global payments platform, and we have now a fright MOC apply school fright, Lanza, uh, which is some thousand transport operators around the world. We can, we can ship anything, um, sudden. Yeah. Yeah. It's labor payments. Frank Fright. Right. So, um, and the red thing is they'll play off each other. So the fright business, now we got 7,000 professional transportable organizations. One might have a shipping line and one might have a thousand trucks, but then that's led

on top of 33 million freelancers now who could do metro point to point delivery? So if you're the flowers still, you want flowers to with it, right? You can now use Frances to do that, right? I mean, it was, got 2 million drivers. We've got 33 million freelancers most drive. Right. So yeah, the scowl we can, we can reach, this is huge with this and you know, the more that we can build the physical organization and a virtual representation, you know, he's your staff, your on demand or on your phone or on the computer that everywhere on Friday, anytime you need the staff on call. Um, yeah, the more that we kind of can, can provide a lot of value to, to all sorts of organizations around the world, um, to get things done. Um, we have a great service. We've just launched a, which is called technical copilot, which is basically a, every startup person at a conference is looking for a technical cofounder. Well we can provide that to you. Well we've, we've got, yeah, we've got that.

We've got a project managers that sit there and what you want, they'll write specifications for you. They'll to get it up, place a virtual team and um, they're fantastic. I, this is what I'm using with leftover.com. You know, I'm using, I'm using technical copilot, going to run the whole thing for me. And I have to get that we need like a CPO, we needed CTO. That would be a whole just steady business. Cause I'm spending 20, 30% of my time dealing with technical things that I not only am not qualified to deal with, but he'll work the deal. I'll hook you up around this office. Right? You just, uh, it's, it's, it's phenomenal. Like it literally is. I'll do anything. I'll stuff the business, they'll hire the right people for you. They'll write a technical specification, break it down the tickets, log into the system about a run a like an agile process. So they'll do, every week they'll kind of do a sprint planning work with all the freelancers. At the end of the week, they'll give you a, um, uh, a, a weekly report in a retrospective of kind of what happened in the week and it just runs on all the Polish. And uh, it's just phenomenal. In fact, I'm going to, over the weekend, my SSL

certificate expired and he's like, yeah, we need to renew this. I'll jump in the clouds player for you and I'll get all fixed up for you. Or, you know, just incredible.

That's amazing. And it's a new approach really to entrepreneurship and most of this episode I would like to discuss entrepreneurship with you. Um, I quick questions about freelancer.com first. Um, so let's talk about, I didn't get, I didn't get, I didn't get my second trend that I see. It's like a really cool, interesting. So I'm really glad to hear that. Like, I think that that's, um, that's, that's, that's really interesting. You know, I felt like it was a little bit out of left field, but it sounds like it's, it's closer than I even thought. I mean, um, it'd be so interesting if you were able to tie that together visually. Like if some way, you know, where, where freelancer, uh, you know, or some other platform that you've got is sort of that nucleus and it's like, okay, here's your organization and we're just plugging in all of these different pieces for you. And I feel like one of the big components that's missing there is sort of a cap table component. The, like he shares of, which is now, um, carta.com kind of what they're doing. Um, but I don't know if that's, you know, a whole other regulatory thing that you probably just don't want to that, what do you mean? And what these, how around the cap table. So, okay, so you've got a distributed organization and you've got all these people who are contributing value and one way to pay them was to simply pay them as contractors, as freelancers. Um, but I really believe that there's sort of a, a trend, even if it's very small at the moment, but it's getting momentum and it's because of two things. One is sort of the emergence of the shared economy, um, where people are sort of, you know, taking a freelancer thing to a whole new level. And then, uh, secondly is the idea of, um, ownership itself, not, you know, being able to, um, leveraging assets even if you don't own it. Hmm.

I think, um, it's, you know, there's a movement towards the risks that de-risking, there's a movement towards, you know, outsourcing, you know, utility over ownership. And, and one what's missing is, is, is, is a remuneration. So if I'm a freelancer, I want to enjoy the upside. What I'm helping you build a, particularly if it's not a onetime job, if it's something I'm, I'm your CTO kind of thing. Um, and so if you like, there's, you know, an opportunity to um, provide, you know, if it's not equity but some kind of profit share or, you know, but I think it even could be equity in this distributed organization that's managed by a third party like freelancer. Um, I think you prefer to join as a profit share. I just think it's going to cause a lot of complications with minority equity holders in random locations. Um, and particularly at the macro level because it can be very expensive for them to transfer, if to be able to transact. Um, at the micro level. Um, I've stuck, for example, to my staff in the Philippines. Um, you know, we went public that a little as she couldn't actually set up a share trading, um, cause you have to put \$10,000 into a type of the account cetera. So it can be, can people make, I think the better way to do that. I'll actually, I'll do have some ideas around this with um, with actually with escort I'll call them, um, is around more profit sharing and how you can, how you could do that. Um, at a, at a, at a micro level. Um, we haven't yet. We're freelances and so forth. Yeah. Okay. So second trend that I just wanted to discuss [inaudible] baby years. Uh, you've got this, the largest population of, of human beings in the first world tired. And one of the biggest problems I see with Mike is it's like, you know, retiring or uncertain about retiring because you know, maybe they've got enough money but you've got like massive inflation on the horizon. You've got a lot of economic uncertainty in the short term, mid term.

And these people have skill sets that a lot of the millennials, and I don't even know what you call it, people post-millennial what you call them. But these people not only don't have that skillset, they don't want it. And I think that there's a ton of value in these baby boomers and seniors who are, uh, retiring and need work. And it's like, you know, I used to work in a deli and it was, I think there's this great guy who is, you know, I don't know him and I just bullshit all day. And uh, he had retired, you know, he was like, I don't remember you. You worked at a bank. I don't remember what he did, but you don't get a great job. You're retired. Please still made it to main comments. So we got these jobs, these were going to be dope. And it's like, that guy doesn't want to work in a deli. But it was like, you know, you can kind of make his own hours. And it was flexible, but he hasn't, it doesn't apply to his skill set in any way. However, his skill set would be super valuable to me. Uh, and I feel like freelance there would be a great place for him to do that, but I don't, freelancer isn't on his radar. Freelancer is on, you know, young guy in the Philippines who wants to hustle and, you know, has technical skills. But I feel like there's this whole segment of nontechnical. It doesn't necessarily have to be non technical, but I think the nontechnical is the part that's being ignored. Okay. And there's, there's skills and people, um, particularly in the first world, which I bet your numbers would reflect the opposite. Like the majority of your freelancers are in the third world. And the majority of the people who hire them are in the first world. And I think that there's like this huge group of people with really valuable skill sets that are retiring. A lot of them need supplementary income and they don't want to go get a job and have a boss because that's what they've just stopped doing. But if they could freelance that their skill set to somebody, um, there's some clearly valuable market there. Well, actually the u s the u s is a, actually our number two market and freelancers, so it's, yeah, after India actually. So, um, we, we've got

millions and millions and millions of men. Yeah. Wow. So it's pretty big. So we've got 'em but people really every way from all walks of life. And it is not just, I'm your typical know web developer in India. We've got people across any skills that you can imagine. So, you know, financial research, you know, accounting, um, you know, we, we doing stuff, we, we I a boss just posted their first, uh, project on the freelancer actually last week. Right. So we didn't really look stuff. The aerospace industry, we doing stuff for the US Department of Energy. We doing stuff in NASA, we're doing stuff, all sorts of, you know, big enterprises around the world. I write down to the guys getting a \$10 website bill, right?

Yeah. That actually blows me away. We can get on for \$10 on the platform. Actually post a contest. The other day I went to the chrome prey and my friend got a business card from one of the drivers and it said racing car drivers slash I don't know, philanthropists or something. Got it. And my friend said, I want, I want a business cause like that I said, no problem. Get Donald freelance but the app and posted a contest, \$10 business cards, whatever. I had 400 entries and though, great, that really good. And then the liquidity is just phenomenal, right? And normal. Um, so, so yeah, I mean, um, it's, I mean, it's a great platform if you've got any sort of skill, right? And we, we do all the way from white collar jobs through blue collar jobs. I get, I've got people recently to come and clean up my air conditioner and retell a floor. And you know, you, you do a physical jobs with local jobs, you also target home services, everything. Everything.

Okay. And that's protected by escrow.

Uh, it will be in a month from now.

Okay. So what do I do? Somebody comes in and redoes my floor and it's a subpar job. What are my options?

Well, we have at the moment we have milestone payments on freelance in which behave like escrow, but they're not as secure as true escrow, which

is illegal construct. So yeah, we all, we hold the money basically interests in escrow, but on freelance dotcom rates, it's a milestone payment, which is like a controlled payment. So the Francy doesn't get access to the money until you are happy with the job and you release the funds to them.

Okay. Makes Sense. All right. Um, I want to make good use of our time with you. Um, or such a, um, just a wealth of knowledge. Um, you know, oftentimes people see the CEO of a publicly listed company purely as an executive or business manager and not necessarily, you know, a founder or an entrepreneur. Um, you actually found it freelancer, um, influenced how you run and grow the business.

I run the business like an Alfredo, like I'd be like an owner. Um, you know, I see what the PROC teams I kind of work with a little, I think very different from like a how, how a hired in CEO would act with the and then really think about how much money can I raise next round the pump evaluation, not because they've got some sort of stock based compensation on, on, on the bearish in the company. Um, I very much focus on, um, you know, every dollar I spend in making it more than a dollar back and working with all of them as a team. I mean this is my life, right? This is it. So I do, um, and you were a professor before or do that for a fellow philanthropic reasons.

I was adjunct associate professor, which means I was just an external lecturer that came in and taught classes and I taught cryptography unfortunately needs and I also towards um, a bit later on a tool technology on furniture. And why do you do that? Well, I've got to hire the hackers.

It's a hobby. Entrepreneurs, more freelancer.

Yeah, I'll do that. Should I do it? It's a 2001. I started until about 2014 in the myself teaching 2014 because cause we were going to watch an

education offering on for your answer. I'll just teach the world rather than teacher teaching university in Sydney.

No kidding. Well, today you're teaching the Sherpa network. Thank you very much.

Yeah. How are you though? Are you related to the largest shareholders still?

Yeah,

I like how he answered that. Yeah.

Yeah. I'm black. I'm buying stock as well still since I'm still super young. So

yeah, you guys have a, I'll be checking out the stock actually. Um, and I remember good friend of mine, um, uh, who for whatever reason since years has been, has been talking about your stock and I remember it, I want to say maybe a year ago. Yes. So he was like, Oh man, you know, I, I think it's time to buy a freelancer stock. It was down to like 40 cents or something. And, and he was like, I'm buying, I'm buying three weeks of stock. And now with, you know, I think you're up over 100%. Yeah. For the George for the year. Yep. That's right.

Well fuck pocket.

Let's talk about funding via products and services versus via capital because you have a very much, have you bootstrapped all your businesses?

Sorry. You know what? Sorry I hate to interrupt you but I just on that thought of you know, the stock market growth, the um, I feel like that, you know, looking at the chart and it looks like your stock perform super well from like 2014 to 2016 and I'm thinking to myself, you know, that was actually a moment when like the Dow for example was hurting. It was performing quite poorly and I looked at some earlier trends. It seems like freelancer actually performs almost contrary to the overall market. And I was just thinking about that for a second, you know, super high level, but

that almost makes sense because as the overall market is doing poorly, you have more freelance with you, more people trying to supplement their income and you know, starting their own businesses. Is that a relevant thought or is that maybe it is at a macro level because the global financial crisis was the thing that set the whole industry on light as more people were at work looking for jobs and business were finding cheaper ways of doing things. And in fact the big thing was actually a lot of Americans were out of work, not looking to get jobs online, but know that side business. I wanted to start, you know, I'll stop that website now. I helped my mom a wife as long as, so yeah, so there's a lot of, you know, psych side hustle sort of going. Um, no, I'm simply with the stock. Um, you know, uh, at the time we listed, you know, if we hit 1.1 billion US dollars, but it was on a very, very, very high multiple.

And so yeah, the stock kind of went up and down, up and down, up, down. I'm trying to, trying to figure out how do we process thing, right. Because it was initially priced like a Silicon Valley Unicorn. Right. And on the same multiples there, Silicon Valley Unicorns have the advantage. I have was, I didn't have any of that. Yeah. Liquidation preference ratchets or preferred stock classes. So I actually had a real 1.1 billion US dollar capitalization, not the fake manufacturer. What happens in the valley where they extra turn? Is that what you sell a business? You don't actually get what you think you're getting. Right. So yeah. So yeah. Yeah. Microscope has gotten down. So, um, you know, it's yeah. W 40 cents, the stock as a gift. He's your boss. I'm Andrew. It's a gift I was buying. Oh, you know, like gift. Um, but yeah, I'll ask the other question about, you know, buying things.

Um, uh, w w what the question was about paying things with capital versus, um, like do I fundraise to buy things? Um, I did that at my last company, so my last company was a traditional series a series B, series c

series day rise money. Go on crunchbase. Putting evaluation do a personally is way celebration. I've sold paddle by company off. I mean, that's the worst celebration you could possibly have as depressing shit. You should have a wake. Yeah. You had to sell out of your company. Now I had to go sell of my company off and get some of the industry and because I need to have that money to do something right. It's a unicorn. Shouldn't be a, um, a, a billion dollar market capitalization. A Unicorn should be \$1 billion in revenue, right? Or even 100 million in revenue. Right? That's a, that's a more tangible, tangible thing. Cause these, these valuations throat, they're all manufactured. I mean it's, it's, it's one of the biggest, um, oh, one of the biggest scams to sternal wood. But, um, it's, it's, it's completely manufactured. Um, the, what the game is. It doesn't call it a game. Basically. Let, let me, let me say that works. So, um, I'm a US VC in silicon valley. What I want to do is I want to find a company doing 20 million in revenue growing about 40% year on year. And the reason why I want to do that is if you've got a Bloomberg and you plot on a graph, the enterprise value to sales of the company on the y axis, and on the x axis, you plot the revenue growth rate year on year, you got like a scatter plot and it's kind of roughly linear, linear through the mid part of the range, right? And what it shows you is if you're growing about 40% year on year and, and um, you've got about 10 times multiple on your revenue, right? So maybe this house about 10 x and you about 40% year on year. So in the public markets, a company doing 20 million in revenue growing 40% year on year is with about \$200 million. So they seized, as I look at these companies, right? And you know, in the valley, this is a few of them, there's a couple in Australia around and they go, how would you like to be a unicorn? Yeah. Well what I'll do is I'm going to give you a check and the checks can be for \$100 million and I'll give you a billion dollar

valuation. How would you like that? And you'll be famous, right? Just song the double blind, right? Yeah. Use blood. It's more permanent.

And so, so the, the entrepreneur, the entrepreneur comes along and goes, is on my equity. Thank you for the coal option. Right. And because they say goes, well the fine print says as liquidation preference, which is basically originally designed for downside protection. If the company Goes Boston is a bit of money enough, the bank accounts, should you the found to get the money or should I get the money being at being the professional vest and put the Hata and Cashin. So there was an argument for, well, you know, if I, I'll give you 100 million bucks in the company goes, Boston's 50 million left in the bank, maybe I should get that back rather than you. Yeah, you put sweat equity and I put the hot Cashin whatever. But now it's double dipping. So the VC will go, I want a two times participating preferred liquidation preference. And what that means is if the company sells for 200 million or less, the VC gets everything. I only above that, then you shit. Right? And so by finding these companies that are already doing 20000040% year on year, these companies are already valued at 200 million bucks, right? So they value the 200 intrinsically, you stick a hundred million bucks cash into it, right? So now they've like 300 million intrinsically, right? And you know, with a 100 million bucks, something's going to happen. There'd be a bit off upsides, certainly in the next few years. The company that actually should go up because of hiring people and it's old, it's not mock to market, right? Cause they'll private. So, so what's happened is the founder has given up their equity in exchange for coal option and a and fine, right? Basically, uh, on official stock price, which doesn't, it doesn't, we don't translate on the, on the, on the public markets. And then the vcs are sitting there going, well about downside protection. Even if it screws up, I can sell for 200 I get my money back and it probably be more than that, right?

So that's, that's the guy. And then, then, then the, then, then, then the other game that's being played. Yeah. Is what the vcs are doing. So, so you know, with these valuations, so the trick is this traditional venture funds get remunerated on a two and 20 model. So it's 2% of funds under management per annum and 20% of above a benchmark, right? So what you do is you go raise \$100 million as a brand new. They say eat, deploy instantly, right? So you get, you spend it all right, best festival and now you're collecting \$2 million a year for sitting on your box. And what you do is you show in the first 18 months, the cattlemen institute write a report called, I think it's like a CD enemy and it's us, right? Get details in an intricate detail. So the basically comes along and 18 months later it goes, wow, though there's a few companies in my portfolio doing the series beans, I'm on that a up rounds, right, because they're always our old, yeah.

Early stage companies, if everything's made up around for the first year or two years, 18 months, and they show, they show an internal rate of return of just some stupid number. And I use that to say, hey, you should've gotten in, um, route, um, fundamental one, but you can get into found number two were raising half of them, half a billion dollars now. Right? And look at the found, look at the fund one returns, right? So then they raised half a billion dollars. They're not collecting 2% of that per, you're pressing on their bumps. They're exerting 10 million plus 2 million. So they've got 12 million bucks per, and I'm doing nothing. Right. But deploy the, deploy the half a billion dollars instantly sometimes in the portfolio companies from the first fund. So pumping the valuation up, even higher artificial, yeah, right. Yeah. I tame on slider rinse for paid. You got raise \$1 billion. Now you see me on \$32 million per annum of revenue doing nothing, right? And now fund one, the companies are starting to fall over one by one by one because VC investing is a portfolio game. So you need one to smack it out of the park and return on Untie

Fund. Otherwise you won't make your money back. And it's not for the site a full over, but, but then it's like, oh, that was fun. Number one, fun number two in front of a three again. Great, right? This is just a giant Ponzi scheme.

So I can really see why, you know, despite your background in VC that you, you've called it fracking for entrepreneurs, how do you recommend that an entrepreneur make a decision on when to take capital and, and when to bootstrap? Um,

well if you can bootstrap, if you have the ability to bootstrap and not every industry can do that, right? If you're doing hardware, for example, it seems have inventory and that's expensive, right? And not easy, right? So, um, so you kind of always do it. Um, that's why software businesses are so good because you can do it in software, um, and particularly Maka places cause there's one copy of the software, right. Um, and you have to at once and some data everywhere. Um, yeah. Yeah. I would always try and start a business where I can bootstrap it and try and make a bit of money in and then try and build it up incrementally because you get to own the whole business, right? Like, um, and you know, my previous business, it was you raise your first round of investment, you'd negotiate the term sheet, you look at it public's like, hey, you gave up a couple of board seats.

You go up some veto rights in the business. So you get going. Yeah. You then if phrase a series B, give them another, but would say you give up a few more BTI rights, whatever. It's a series c series day. Some of you turn around seven years later ago. Why am I a minority shareholder in this business? Like, why do I have no control? Why am I begging the board to do anything? Why do I like what happens? You've just like boiled to death in the pot, right? Yeah. Uh, yeah. And it's just, it's just, it's just horrible. A place to be. And um, yeah, most entrepreneurs would probably be surprised when you see the term sheet you signed first term sheet, the

very first term sheet, right? A few things happen. The first thing that happens is as a clause in the term sheet saying, in five years we get the right to appoint a corporate advisor to sell the business full stop. No matter if it's going well, no matter if it's going badly, they get the right to sell it and use it. That's a wake up call because it's like, wow, even if I do a really good job here, I can just sell the business from out phone. They think, right? Yeah. Because they've got to really realize that return their Ips. Um, the second thing that the entrepreneur is doing, if you want to well, detailed video on this, I've got it on youtube. It's called call the house and not get screwed in the venture financing. Matt Barry's search for it, isn't it? There's a video from stock cone, which is a conference I run down in Australia. Everyone should come out to Australia and in front of the conference you should come. Andrew should get you on stage. Talking about Saba this year I guess. And Union bought.

Um, but um, uh, four and a half thousand people. It's phenomenal. Wow. Yeah. We got the vps of growth from like Uber and Pinterest is Australia. Yeah. Strain some up November, December. Yeah. So, um, so what happens is, um, where was I, um, on the phone, the first term sheet. So why was he is swam z is number one, the business can be sold in five years. Number two, and this is, this is this, this is the trick, right? The tricky is um, like a typical attempt. She says, well, the board we fired and there's two seats for you, two seats for us. And we began a non exec independent. Right. And um, there's two things apply here. The first is, um, the golden rule, which is basically he who has the gold rules and a [inaudible] not an exec is going to come through the network of the vase stays.

And you know, probably if push comes to shove down the track side with the vcs and a vote. So it's three of us, it's two and a board and that's it. The board can hire and fire the CEO. The new CEO comes, change of

business plan, change of management. Same you go on. Yeah, go on. Yeah. All right. So you lose control permanently and you're never gonna get board seat back. Why don't you give a board seat up? It's never coming back. Yep. Okay. I've got from border five to border three. Right. Unless you, unless you step down, right. So, yeah. Right. So, so you use a penalty loss, control the business totally on the first round of funding. So if you can try and do it without taking money from someone or if you do take money from someone, do it in a flat common stock structure. And the great thing about the stock market is it's once you hit one button, right? Yeah. In the u s you do have this multivoting thing that it's kind of going on, but ordinarily it's one share, one vote. It's all kind of collapsed and there's no preferred rights. Everyone's on the boat rowing the same direction. But with markets it probably pockets. Yeah. Everyone's, everyone's wrong together on the boat. Yeah. That you'd have this misalignment of incentives. Yeah. Interesting. I feel like it really is so muddy in the venture markets. I mean these companies are really, it's what is what it is, is the find a greater fool theory of investing, right. Of venture investigate. And so what happens is you got a classic example of this kind of with, with Uber where you know, you go out there, you raise \$100 million, your company, you dump it into a marketing channel, you make back 85 right?

The revenue goes like this, right? Then 200 but in the mocking and you make back 160 it goes like this. You go raise half a billion, dumping the mocking back like three 50. Cause like this, you raise \$1 billion, you dump it in the mocking and bag back six 50, it goes like this, right? And you just finding a greater fool and then you run out of vase stays your, I have growth stage vcs, you gotta go to the um, the public private guys like fidelity and t right price. You rise from them. Then you go the debt markets, then you got the Chinese, then you've got the Chinese debt moccasins, you go to the Saudis, then you go to the amount of the

Qataris. I think they'll probably be the ultimate new modular. This is probably like the Qatar debt markets, right? Like you know, you're like let's, you got to really invest and you hope that at some point you figured out how to spend the dollar.

I make more than middle, low back and then you can take a public, right? But if you don't figure that out, then you have a problem because you come to the public market and you have a collapse in value and what you're doing is you're, you burned all the previous, previous investigative journalists, you burn all the employees. Right. Um, you know, everyone, everyone who's been issued stock for the last number of [inaudible], a couple, a couple of companies have come out recently and the stock is like Harvard or what have you and you know, oh, the Ola, Ola, well, the shareholders for the last number I've used, it just got completely done.

Okay.

Yeah,

lift that big, lift the land. The last couple of rounds of investors in left, um, I mean most of those folks were also earlier investors in earlier rounds, but uh, those guys all lost money I think.

Yeah. I think it's, I'm 57, I'm on market caps about 16 billion. I don't know what the last rounds of liftware asked, but I'm outside a lot. The last number of people evolve that company in the last few years. Investors, all staff probably not getting anything a little doing very well. I'll get the upside that this is, make some money, but so we'll lose money. But, um, uh, the staff probably getting zero in the last couple years. I don't know how to structure that incentives. Maybe it's just something else that's happening that, but, um, yeah, if it's coal options, you know, the, they're on the water. Right? So, yeah.

So man, you have won a number of awards for employment. Um, I think that's especially interesting, uh, considering that freelancer is so much about, um, alternative employment. Right. Tell us about your values as an

employer that, uh, that set you apart. Uh, what you think every, you know, young, uh, Mark Zuckerberg, uh, should know, um, especially for managing a team globally, which is more and more the norm.

Okay. Yeah. So we have, I'm a couple, the company values are things like, what does the data say? Um, how can we improve today I poached one of them from Reed Hastings, from Netflix, which was, we're not a family. We're a pro sports team. Right. I really, I love that one because he was, well, welcome to the family. It's like, we know family right? You can't fight your system.

Yeah,

but you, but you want the best players on the bench, right? You want to, you want to make sure that it's, um, you know, you, you've got the absolutely best people in the team. And then the performing of the peak and product managers, for example, the coaches of the various products, and you could have this, this on the bench. Um, and another big one is changed a lot because we really do change lives. There's not many businesses that actually say we change lives. And you've got to France that comes like quotes is about 10,000 testimonials there. And people have literally said, you saved my life. Right? Um, it's, I mean, it's, um, unbelievable. In fact, I'll, I'll read one at Alfie actually. Yeah. I'll just pull one up. This is pretty amazing. So this is a test. You just can't make this stuff up. So I've got quite page and then we have, we had like a birthday or whatever for the company.

We'll say, hey, why don't you leave a, a note just to tell us, um, you know, what free handsome means to you. Um, and uh, someone wrote, I know today I have a million users submitted their quotes, but despite all his uses, maybe I'm different because my story starts only with freelancer.com. Well, in two years ago, my public was emptied. At that time I had no need for any money back. It was a hungry situation. There's not any money to buy food either. It really was not fun. I can't forget the

time my father mother died more than five years ago. Now I have over \$20,000 in my bank through [inaudible] in france.com. So I think France was like my parents actually not like France. That really is my parents and my goal because frantic gave me life in this hoc world. Thank you for answer calm hub you with somehow. I really love you. Wow. You could not make that. You could not make that up in the marketing department. No. Like, how do you make it up and what does CEO you are Matt, that you're aware of this and reading this, it doesn't sound like, you know, someone on your team had to run around and present it to you, but you really keep your nose close to the ground. Oh, let keep it here. Then I've got another one. Um, you know, thank you. A commercial is free answer. You there? We here. You're doing excellent job. I can tell you loud that you saved my life. I was unemployed five years ago. Too old to get a good job, but too young to retire. You return a smile to my old slash young face. Thank you very much in calculations and happiness for all that's really uplifting. That's sweet. Oh Nice. You know, um, just you do like to buck the system and I like that. You know, you've served as an adjunct professor for all those years as a way to get freelancers, but you also, I mean, how many degrees do you hold? And you know, today it's cool until it kind of valley to get into a great school and then drop out. Um, but not you. Um, what's your philosophy on education and, um, why, why have you pursued so many degrees yourself? Education is the lubricant of upwards mobility. Um, you know, it's the way that you can make a credit law for yourself. And, um, I did a first class honors in computer science, uh, first class honors in, um, in Alaska engineering and it's actually science degree. So I did physics as well. Um, and let's go engineering it. And then I did a masters in like engineering at Stanford. And then, um, then off that I did a couple of degrees for fun. I, um, you know, when I was in between, um, sensory networks and

freelance, right? Thought, well, if I've gotta be sitting at home trading stocks and building websites, so I may as well study at the same time, right. And use the time efficiently. So I've got a, I'm a grad deep in applied finance and then I got a masters from a different educational institution, um, in, um, applied finance. And then I got, oh, I've got a, a, I know I was crawling, you can't remember all your degrees. It's corporate corporate governance or something around that. I can't remember. Is this monitoring? What do you recommend to all these entrepreneurs who think they need to go drop out of somewhere?

You're nuts because you'll never be able to get back into school again, right? Like, um, Stanford won't accept me at 45 years old. I won't accept you. They want, they want young, young, young people. And I don't want people who want to be entrepreneurs. If you write in your letter to Stanford, I want to go to Stanford to be an entrepreneur and study tech company. They won't let you in. They want professed people to stay, to be a professor and get a Nobel prize for them because everyone was to drop out. The last thing I wanted somebody to be an entrepreneur, right? By default, if you fail at being a professor, I don't get a Nobel prize. You will start a company and you'll give them an endowment later on, right? But they won't let you in. Right? And so all these people that go out there and they go, yeah, you know, I'm going to go start there.

And Austin drove out of there like, you know, Stanford. I was like that. It's just nuts cause you don't know anything about anything. You're a kid, right? You really, all right. And you, you may think you're the king of the world, right? But you don't know anything, right? You've got to build a solid foundation, Ryan. Um, and you won't come back later on to university because they won't let you in and you'll be too old or be too hot and you wouldn't have the, as life goes on, you get those commitments, you get married, you get kids and whatever, and you've got to pay for things and you know, whatever. And it's just, you just won't

have the opportunity to go back. Right. So it's a one shot thing and um, so you've got to go through it. You got to complete it. And when I hire people, I don't hire people that have got, they've dropped out.

I had, I was funny, I had two guys actually interview, uh, for a job here in the same week. The funny thing was that both quota, Mia, right? And one guy, and this isn't Sydney, one guy had had master's in electrical engineering from North Carolina and went to Intel and what can you tell for few years and then came to Australia and one guy had grades that just were like a Yoyo. He got like 86 in like quantum physics and then you've got 11 years thesis, no opt out and the way that applies. And he went to I, you went to UC San Diego for like one year for I think on exchange. And I said to him, I said, well, what's going on with your mom? I guess I started a company while I was kind of at university and you know, I had a shit lecturer, this particular costs and you know what your thesis od didn't like the supervisor.

I said, the guy said, I don't think you'd like to work hard. Well, I mean I can't, why would I hire you? You Mocksville over the place. You can't complete a project. Yeah, yeah. Your CV is this startup, that startup, this startup, that startup, right. Why would I hire you? Right. I want somebody who's actually going to put the hard work in and when I, and they say as a product that you need for a park manager role, when you say you're going to deliver product on these diets, you're going to deliver the product on this day or I'm not going to hire you. Right. I'm a fire. Right. And it was just, it's just amazing. Like just seeing these two guys, the same name and one guy. Yeah. Clearly he was a smart guy because he had some mocks that were pretty good. And I said, well, yeah, what else happened?

I moved out of home. I, my parents are very strict and you know, I'd been, I got a home, I kind of, you know, went out and partied. Right. And it's like, Whoa, okay, great buck. Yeah. Play hard, work hard. You're not

working hard. Right. So I, I'm a big advocate for education. Yeah. Actually at the governmental level, I think it's nuts to not provide. Um, I know I should libertarian, I thought she won libertarian of the year, Australia 2016 but, um, I do, I do comp. I'm not a purist. Like I think there are some things I just think just purely from the business of government, if you will, running in government, you're not, not too incentivize people to do certain degrees, not all degrees, but certain degrees that can start that way. That lead towards innovation and entrepreneurship and starting businesses. And they are, for example, the engineering and sciences. You know, I, if I was premise for a day, I would subsidize that, right? Because the fastest way to lift wages right, is um, you put someone in a advanced degree and then they go through that for four years. They come out and they stopped businesses and they get really hot paying jobs and then you make it back an income tax. And the amazing thing is silicon valley has just discovered this business model, like as a startup that is lambda school. [inaudible] they, you go there and you, you, you, they give you an education in return, they get a, you get a share of what you make and your job down the track. Wow. Congratulations. You've just discovered a public education.

Yeah. Well done. Right? Like, you know, so, uh, you know, I think it's very, very, very important. I also think the other thing that is very important is that, um, and I made the mistake of encouraging people strategy, invest you start companies and I really regret doing that. I used to say it's never been a better time. Do it now. Gotta take the risk. Um, now because we are old, you have more responsibilities, et cetera. And you know, has never been at a time. It's cheaper, it's cheaper. You can hire freelances now that kind of build your website for you and build your business. Inexpensive land, all the stuff is up and still also cheap. Yeah. Things like payment systems like pipelle with Google ads or whatever. And um, it's been a bit disappointing actually thinking about that advice and how I've

given to young people, cause I've seen a lot of people gotten into stock land fresh out of a bachelor's degree and with no big company experience, I've done that to hire someone.

They don't have to fire someone, they don't do a performance review. But I started listening to how companies work, right. And I, I had the, I had the luxury of, I worked at IBM for a couple of years, uh, at ea. So saw how he's working now. They functionally do things or they organize things, right? And if you don't get that, and there's not, not every startup becomes a success, you know, 99% of them blow up. Right? And it's only the 1% that do it. Probably even less than 1% because big, big companies. Right? Totally. And so you just have all these people who's going from startup to startup to startup to startup to startup. And I've got friends of mine actually, who are now close to 40 and I don't think they've worked in a company more than 10 people. Right. Their entire career. And so then, then they try and come back into the workforce. They have kids, but no one's to hire them because you've got no experience in a company of any size or any scally's necking around the stop to stop. Right. You know, full person, six person startups, and you've got [inaudible]. It's just you're unemployable. I'm a classic example, right? So I, you know, I've never worked in a big company. I had zero corporate spirit's zero. Wow. Yep. You hear that Matt Barry Just said, you're unemployable.

You would be unemployable. Frankly. What's sure, what's your entrepreneur? You are unemployable.

I probably am unemployable. You'd have to have a high tolerance for a lot of bullshit. And, uh, it's so true. I mean, there are, we're, we're at a point, it's like, you know, we had 300% year over year growth just about, uh, you know, 2017 to 2018, you know, Greg growth this year. And it's like, okay, this thing is starting to outgrow me. Okay. I'm trying to get my arms around it and, um, I don't simply have the tools that you would learn in running a big company to do it, to get my arms around it until I'd

like say, okay, we need to hire. How do we actually go about doing that and training and creating processes and like, you know, how do we create a structure around what it is we've built? Identifying what are the unique things that we, you know, unit capabilities and skillsets and, and, and assets that we have that have caused us to do a better job than our competitors. How do we take that and create, turn it into a process automated, you know, hire for it, you know, supplemented. Uh, and, and it's something that I'm struggling with as we speak. It's, it's, uh, that's, that's very real, tangible advice for me because, uh, if I had that experience knowing how to do those things, I think our business would probably be 10 x what it is today. I think we'd probably have 70% a market share from top end with domain to main market after market. I think there's a lot of things that we'd be doing a better. Uh, so I, I, you know, we've got a great business. A, we'll provide a good, uh, a good living for all of the people that work for, for me, the options, um, you know, an amazing lifestyle as well, uh, for all involved. Uh, somebody that's very unique and probably not available through almost any larger corporation, but, uh, we're limited. We're, we're our, our ability to scale is limited simply because I don't have the tools to do it.

Yeah. And the, the issue is that is companies become bigger the more you kind of need those big companies skills, right? Which it becomes more and more about people management. It becomes more and more about building processing. Yeah. Can we have 500 people? One engineer can ship some code to the website, knock something down and wipe out and millions of dollars worth of, of of payments. Right. So you've got to stop putting process in to make sure that these things don't don't occur and so you need to have some level of, become an experience, I think. I think, I think, yeah, my advice for an entrepreneur would be go do a technical degree, like in engineering and my preference would be engineering, electric engineering. I think about the perfect degree

because it teaches you a lot of discipline because a lot of subjects in much of engineering, which [inaudible] you don't really want to do, but you're forced to do them as you're forced.

A bit of discipline I suppose to computer science, which tends to be more of a mix and match and know I play computer games too. Yeah. Work and then come back, whatever and then go out and get it. Get a job in a big company. Follow a leader, right? Yeah. If you want, you probably don't want to be stagnant, large company, but find the high growth company that's of some level of scale. Get in there, learn everything you can for two years, get out and do your own thing. Right. And then you, then you have a quick, you're equipped mentally and professionally and psychologically to do it. Right.

Interesting. I can't even tell you the number of like, you know, we're, I always say all roads lead back to domain name. So it doesn't matter if you've got the business, you know, in, in Tuscany or your, you know, uh, Unicorn startup founder that doesn't match every business out there needs a domain. And so we get exposure to every type of business and every type of person. And you know, if I, if I were to, I'm just pulling this off the cuff. I don't even know what the build out is, but I can't even imagine it's gotta be, uh, very high percentage of like the biggest domain sales that we've made. Go to founders of startups that come from paypal, Google, uh, Facebook

for that. So put it

learned how to scale a business, how to do things at scale, how to build, you know, and, and, and, and make a, you know, invited to thrive. Um, and there's only so many places you can go to learn that stuff. Right. And they take those skills, they leave after two years, five years, and they start something. They start, you know, their own thing and they apply that knowledge and boom, they've got a successful company.

Yeah. I just, I just checked that pizza, that coffee.

Well, would you believe [inaudible] dot com

I know, I know. It's long story. Yeah. The long story. Okay. Question for you. Um, 60% of CEOs are actually chemical engineers. Um, so just tiny question. Uh, electrical engineer versus chem engineer. Any comment? It was that intentional.

I had 87% of the statistics I'm at up on the spot. Um, [inaudible] I like to like see the data behind that with chemical engineers.

I don't know my dad to keep applying to here. So I've heard that over the years. I don't know if that's true. Okay. But you still stand by electrical engineering over chem?

Well, you're, if you're, if you're in technology, you want to be an analyst, right? Because civil you build buildings and chemical is more of a, you're in a, I don't really see, in my world I didn't get a lot of exposure to chemical engineering startups. Right.

I hear that. It's more about the, the thought processing. Um, but no, that's fine. Tiny, tiny question I really want to ask you. So most folks go from serial entrepreneur then to VC adviser, not the other way around like you did. Um, but you know, you are so prolific online, um, you know, one of the top influencers. Um, and I've in, in reading and listening to, um, your, your articles and videos over the years, I've heard you mentioned here and there a dark time, but not much on the specifics. It sounds like though it was about forging your identity. Um, as a serial entrepreneur and I see that's a real challenge for, um, for, for people at that stage who aren't sure, are they leaving a big company? Are they going to be successful? What, what can you share about this, this, this dark time and, and what, what you learned through this struggle?

Well, I mean, you know, I, my last company was more of a, um, a solution looking for a problem, right? So I wanted to do security, I wanted to do chips. I want to do a chip to security. Great idea. And trying to retrofit that into, um, some sort of market. Yeah. Uh, Opportunity. Right? And

this is the US, I see this happen all the time in startups, right? They're doing a bitcoin stop. Why are you doing a bitcoin stop? I want to be a bitcoin. Right? Well, why, what problem are you finalizing solving? Well, we're kind of going to put pets on the blockchain, right? Why the pets need to go on the blockchain?

Um, you know, well, I want to, what I think that I wanted to watch in Crypto, like, well, no, how about you? Actually just think about what's a real problem that's big that needs assault, needs solving at scale and work on that rather than be an image in some sort of technology. Like I see people all the time, I want to do a machine learning startup. No, I want to do a fintech style. I want to do whatever startup. It's like not just you figure out what the problem is, right. Bigger the hole. The molar is to fuel. Right. Um, so going off what your question as point, you learned that by messing up, by, you knew, try to even identify that you were a solution, looking to find a problem. What did it take for you to identify that lack of revenue

[inaudible] like lack of revenue and the smell. Every day I came to look of what's that smell? It smelled burning cash. You're right. And the stress of like, Shit, how much money do I have? When do I have to stop fundraising? And sometimes he's nine months. Do I have to leave now? What the hell? You know, at least he's trenched the investment over trash come in but not come in. What I have to do. Ah, stress. Right. It's terrible. Um, so, you know, uh, you know, uh, no, I can see it. The memory is stressing you out, isn't it?

Yeah. It's just like, it's tough, right? Like when you, when you're running a business, it's, you're in cash. It's great because you can just stop for a day and tomorrow you make more money. Yeah. I can stop and slow down. Just think about this for a little bit. I've made more money. Right. As opposed to all shit, what are we doing now? What are we doing now? Arose very, very, very stressful.

Yeah. How'd you get that in the tape business? My old, my old boss used to say, um, you know, he was just 110% focused on sales and he didn't give a shit about marketing. He didn't give a shit about advertising. He didn't give a shit about the website. You like somebody I know. Yeah.

Well, no, I mean literally there was nobody in my life, there was more influential than, than he was. And uh, Peter Murky shout out.

So,

um, you know, you used to just say that, that if you came to them with a problem that wasn't related to sales, you would say, well, focus on increasing sales and that problem ceases to exist.

Revenue. Yeah,

revenue makes everything else easier. If you've got the revenue and solve problems.

I have a presentation on this. How do we get screwed? Mitch capital, I say revenue, revenue cures, revenue. Revenue will atone you for all your sins. Right? I got these young idealistic computer scientists coming into the company, right? And every young computer scientist, what's you want to do? Reroute the code base right from scratch. Why? Because it's not, it's not perfect. Well, well guess what? When you went, when you initially went to write the code, you wrote in a certain way and then you didn't anticipate, have be used in different ways and they kind of hacked it a bit then you to it in [inaudible]. Yeah, of course it's a, it's a mess. But old software, it's like this, right? It's not like, it's not like a university assignment where every time you do your university assignment, you can start with a blank sheet of paper and make it beautiful. Right. I guarantee if you take that into the real world production, it's going to morph into all sorts of ugly ways and become a complete nightmare. Right?

Yeah. So it's like the whole building does use a building. It evolves over time and you put an add on, do you change the windows air conditioning

systems? But yeah, it's some point, you know, uh, what he thought, you know, written down the, the, the capital expenditure for building it. Okay, fine. Now it makes sense to turn this thing down and build something new. But you can't just do that every time there. You find a better way to go about it.

No. It's how you kill companies actually. If you've ever run stops pursuing new features and doing what have you done, it's always a challenge because even in a company like mine, you do have to bottle from technical debt sometimes. Right? And so we're doing that right now with a front end for freelancers. We're ripping out replacing the whole front end with like this advanced Angela your web, buy a stack and it's, it's problem because oil engineers working on that particular project, not generating revenue, right? If you can be generating revenue, then you can hire another team and the other team can go behind you and fix up all the problems. Right? And then if you, if, if every month you're making 8% more than you did last month, then you're going at a hundred percent year on year and we promised assaults. Right?

Yeah. True. Um, name your top resource recommendations. I know you've mentioned a new plot over the years. Is that even how you say it? Um, well that's just open source graphing software, right? They just throw some graphs, right? Like I that that's, um, I mean the old tools you need now to build a business internet business. Now I pretty much have them souls, which is great. Um, so, you know, you got these, got everything out there.

Yeah. So both for building the business and say, you know, book, conference, podcast, what, what, what do you listen to? What do you recommend?

Um, I listened to a podcast called macro voices and this is a macroeconomic spoiled costs. Um, okay. Uh, if you can understand macroeconomics, you understand how the world works, right? You

understand that, you know, oil price went up today, why did it go up, right? Went up because something happens in the, in the, um, and the strikes, you know, Persian Gulf, right? And that caused some sort of crosses, right? And the risk premium came into the oil price and then that explains why the u s government is doing this and why Europe is doing this and why China is doing that and whatever in the moment. Why is the gold price down wise? Yeah. Why as bond rates change. Like if you understand all of that, you understand the [inaudible]. So I, I love listening to that. I also, um, you know, reasons like zero hedge, right? Which is like a very bearish, natural, useless, oh, I like about it is there's no bullshit. Well, you try and watch CNBC and it's like bitcoin prices up. Let's interview a bitcoin founder, right? You got it. You got a zero hedge. Like, I will let me tell you why the volumes are bullshit and here's some graphs of, you know, this and the trading patterns and what have you. And you know, here's, here's an indictment of, of, of a bitcoin exchange founder who's been arrested and uh, you know, like everything's there, right? It's just, it's, you know, is that, it's pragmatic. So I kind of, uh, we that sort of stuff religiously. Um, uh, cause I slept and I had a little book and it kind of explains how we'll look.

Okay. What are your favorite open source tools?

Okay. Oh, you know, it's all stuff that runs my business. Yeah. It's all the little stack. I mean, I didn't get to code much anymore. They call it found the code, which is found at where we're beginning out. Right. If I write that. Yeah. Like, but yeah, we couldn't build this business about, you know, you Linux stack and you know, old tools that come with a PHP and bondish medication. Retis every terraform and papa that every my sequel, every day there's something new. I mean, Jesus Christ, if you want an industry that moves quickly, just like was having an assistants engineering, I'm like, it's just,

that was literally the reason I didn't do like, so I knew I wanted to go it, I ended up doing like a management information systems database basically. And you know, basically by the time I graduated with a degree, I was like, this isn't what I want to do. Uh, and I almost went to computer science. Um, but I realized I was like, if I go this direction, my life will just be completely reinventing myself and, and relearning new code because every couple of years something's, you know, something newer and better. And he was going to be younger people who learn it faster and do it better. And you know, it's just, it'll be a never ending cycle.

But the positive thing is if you do have the degree, then it becomes easy to hire these people, right? So you know who's good, you're not as bad. You can tell the engineer stays going to take six weeks, one's going to take six weeks. Now, I think you can do it in two weeks. He is, yeah. Maybe you should think about it. Whatever. So you just got to think like that. Yeah. So yeah. But um, yeah, it is amazing time to build a business, but the technology's just moving separately. The great things you can hop freelance as duo for you now.

Yeah. Good answer. Good answer. You're so charismatic, Matt, and you're one of the top influencers, uh, in the world really. Um, was that accidental or intentional? How do you, how do you leverage it today?

Uh, I dunno, I occasionally write things. Um, and I'm not afraid to say things how I know, I think they are, I mean, one of the things that kind of really opened my mind up a little bit when I went to Stanford was though all these complicated subjects that when I was at like a Sydney University, the professor would try to explain it and it just like, just be so complicated to understand what they're trying to say. And then I decided to go to Stanford, but they'll say it in English as it is. And you realize the, the, the professors that I could see in university, which trying to make a complicated term back to make themselves look smart. Right? But

you can, you can say things in very plain direct English. The more the time goes on, the more I have more responsibilities, more things to do. I match more people and you know, more businesses to run. I don't have time for the bullshit. So I just thought how to, is like if someone's doing a bad job, doing a bad job because he's why I'm, and you know, this may be how you could do it better or, you know, are you're doing a good job, do a job. But I just say it direct, I'm quite blunt, but you just don't have time to beat around the bush. Ryan Gild the lily. Right. So I kind of, I'll, when a journalist calls me Oxford about something, I will always tell them an interesting anecdote or, or a very quotable line. Right. And I'll, and I, I wouldn't be afraid to be controversial and then, um, yeah, my right. And this I, um, you know, I'll, I'll do it in a certain style and um, I've a lot pick up on one of them. The second last one I wrote fed last one I wrote, I had a million people read it in two days and then 15,000 people. Do you think thousand people marched in the streets that spoiled the political women, right. So, uh, you know, that was pretty good. Uh,

how do you leverage that?

Well, I do, well, I didn't really want to leverage that.

No, it's just power.

Okay. Well I just, I just, I think I'll just say what everyone's thinking. Yeah. Just say whatever. Yeah. In some ways.

But on the tail end, what do you do with that?

Oh, provide, entertain for myself and I'm not working.

Yeah. I don't know. We'll see if your prime minister some day, terrible job. It'd be, you know, ah, what would you want to do that? Just like, it's just, it, I hate working in committees and that this would be like the worst committee in the world.

Yeah.

Instantly. Half the world, half the population heights. You just because they were born from some parents that had certain political leaning and

you're on the other party. So instantly half the world hates you and US zero reward.

So man, you are so entertaining and so interesting. We have used up tons and tons of your time. Do you have time for four questions about freelancer?

No. Time starts now.

Oh right. Good thing I give you a time. Okay. Um, when you acquired freelancer.com the domain name itself, I want to hear about the data driven results of changing to freelancer.com and what escrow service you used.

I'll use escrow.com before I a call.

Okay.

Um, I, I think it does. I think it was the first time I used SRO. I'm actually sure it would have been the first time I used it with somebody. That's my name. Um, I don't know who recommended or how I came across it. I guess that's just the way things, you know, you bought some items that you use.

Okay. What did you see right away from changing from get a freelancer.com to freelancer.com

it was instant, like instantly it was just like, wow, I talking to freelance and we just everywhere. Right. Um, you'd speak with journalists the gentlest and take your Coles, right. Every time that article articles would come will be published. Well, you didn't even totally journalists because like I like, okay, well let's talk about the Gig economy. What some companies do, they use Google, all this freelance and I'll call them of course. And what's the other one? To a, Oh, what is that? The tacos get those names and the lessons got it was just a, it was insane.

Instant. Okay. And Andy in SEO results,

I mean on

overnight. Okay. Great conversion rates.

Well, I mean it's the best marketing dollars I've ever spent. Right. If I could, if I could buy, um, this to mine every month and get the impact I would and I would stop spending money on Google. I would.

Nice. Okay. Question number two. Um, well there you go. The domain names, material impact, um, the short term and then the long term, um, material impact of owning that domain versus a, an alternative brand.

How would you calculate the enterprise value of freelancer.com? The domain name to your business today?

We have the best brand in the entire industry and nothing, everyone else's subordinated. Everyone else was like, there's nothing, nothing comes close to it. Everything else, mishmash. There's nothing percentage of your brand value. Throw out a number. You're, you're such a numbers.

I don't, okay, I got to calculate that. But, but the point is that, you know, you saved the night. Oh yeah, I've heard of that sign or I've used it or whatever. It's just, and the competitor's names I'll maybe they mentioned in a member one or two of them that remember all of them. Yeah, yeah, yes. Just you can't, you can't, it's just the most, it's the best money I've ever spent. Full Song, cool stuff. And I'm so lucky I spent it before the competitive audit or I'll be screwed forever. Rev Up. There's nothing to do it. Competitive gets the name. I would have been potentially get a freelance for them and that would be freelance, that I'll be permanently at least number two. Okay. That'd be number one. Never to be. Never. I could never imagine a situation where get afraid that we'd be a bigger business than freelancer. Right? Yeah. Yeah. It doesn't make any sense to me. I always tell people that, uh, the most fundamental utility of a domain name is to decrease your cost of customer acquisition. I think that's unquestionably, I'm questioning.

And it also, it also increased the cost of are our competitors customer acquisition because one of them changed the terminology to contractor.

Yeah. So they had to change the whole marketing strategy around contractor and you got to reset the SEO would blah, blah, blah. And then they'd come back again and they realize it's fusel. Yeah. I may just keep driving my chair to you. Yeah, that's right. Yeah. It's like a Rockefeller situation, right? Everyone do you want to ship? If you want to ship oil, you gotta pay the railroad, right? Yeah.

Um, what, you know, parting words, what's, if you could give one piece of advice, actionable advice to young entrepreneurs today for competing and succeeding in today's digital economy. Uh, what advice do you have? Just do it, you know, like, um, too many people just have these mental, um, like mountains and their minds that, you know, I can't, I can't stop this because I've raised some money from someone or I can't do this until this happens. I can't do that until this happens. I, I'll do that until someone says yes. Just gonna do it. Yeah. Scott, just do it. Do it. Do it an inter. Right. Get it out there.

Good for you. Yeah. Well, you certainly, you've done it, Matt. Um, you're amazing. Thank you for taking so much time to talk with us today. Um, and really to share with the next generation entrepreneurs.

You're, you're a big deal and a good guy. Thanks. All right, we'll see you all next time.