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Jamie: Welcome to Eventual Millionaire. I'm Jamie Masters. And today on the show I'm super excited to have John Chisholm. Now he wrote an amazing book, it came out last year, called *Unleash Your Inner Company*. He also runs his own company called John Chisholm Adventures, where it's Angel backed and whole bunch of other things. I have so many questions for you. Thank you so much for coming on the show today, John.

John: It's a pleasure, Jamie. Thank you for having me.

Jamie: And you have a gorgeous view. So everybody that is not listening just in audio, they should check out the video because we can see the bridge in San Francisco right behind you. So it's amazing. So you're in San Francisco, tell me a little bit about how you got into Angel investing, because I know that's probably quite a long story?

John: Well, it was kind of a natural evolution. I started two companies after I sold my last company. In early 2008 I stayed with the parent, who acquired us for a year, and then spent time mentoring, advising, other entrepreneurs, and Angel investing was just a natural outgrowth of that.

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Jamie: So what were those companies that you started? Because everyone's like: oh, of course, because you're ridiculously brilliant. You sold companies, blah, blah, blah, of course that makes sense, but how did you start in those companies to begin with, what were they?

John: Well, I like to say I had a great advantage in starting my first business and that is I was fired from my previous job.

Jamie: I love it.

John: And originally I wasn't planning on starting a business. I was planning on just finding another job. But while I was out there

looking, I had a chance to do a consulting project, I did that. I learned some good things, I made some money, and then I went back to looking for a job again. And then I had a chance to do another consulting gig, and then another, and then I just eventually quit looking for a job, and then that consulting practice I evolved into my first software company Decisive Technology, which I founded in 1992.

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Jamie: Tell me more about that, too. Because going from consultant to software on your own seems like a bit of a trajectory, especially in '92. Like, I remember I worked at a tech company, but not until '98. And so the tech back in '92 is probably a little crazy then.

John: Well, my consulting firm was doing surveys for companies like Microsoft, and **Amtol**, and **[inaudible]** **[00:12:25]** at Xerox. And we were also engaged to service brokers in the sale of a business for **SUN**, an electronic mail software business in 1992.

Jamie: Electronic Mail. I love that you say electronic mail, instead of – that's so awesome.

John: It was novel technology back in those days. So we sold that business Inbox, which SUN had kind of acquired by accident to QuickMail, which was the number one provider of email for Macintosh back in those days. And so that was my first early exposure to email.

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And I had the idea, wouldn't it be cool if you could do a survey email? And so we just stuck with that idea and development a prototype, and brought a team together. And in 1995 launched the first software to desktop Windows' software to automate doing surveys, first via email, and later via the web, called Decisive Survey. And it worked by parsing text messages, ask-y test messages.

Jamie: Really?

John: Yes.

Jamie: I'm such a geek. I'm like oh, my gosh, really? That's crazy.

John: Yeah, no HGML here. This predates the web.

Jamie: It was such a long time ago. I used to work on servers way back then. Yeah, it was all Ask, it's so crazy.

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John: So the software generated a structure to email a message that recipient could respond to as a survey by editing it, filling in Xs between the brackets and then sending it back. And then the software used the messaging API to go into your mailbox, retrieve the responses, parse them to pull out the survey responses, and then generate a simple set of analytics, frequency, distributions, crosstabs, and so forth.

And that product became a best-seller in 1995. And we later came out with a web version, and a client server version, and started offering services. And much later the company was bought by DoubleClick and is now part of Google.

Jamie: Okay, I have so many questions for you. So first of all – and then again, we'll get into other things after that. I remember being in technology and computers way back and when, right? and so did you know that this was going to be hit number one, and within that, like you were one of the first people, I'm assuming, to do that?

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Usually you're told not to be the first one because, you know, in introducing something to a market can be a little bit harder. So how did you know that this was going to even work?

John: Well, we didn't at first. And I remember when we did our very first survey, and how thrilling it was to see those survey responses come in to the Inbox, and to see that the whole process actually worked. You know, there were just a myriad of technical issues that we had to work out, which email systems would we work with, Lotus CC mail used the vendor Independent Messaging API, Microsoft used Mappy, the Messaging API, so we had to decide whether we would support one or both of them. So anyway, it was exciting heavy times back in those days.

Jamie: Wow. And technology changes like crazy, though. Okay, so what was the second company? So you sold that one, what was the next company?

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John: So we took those same ideas and applied them to customer feedback. And that in the interim the web had taken off. And so **Customer SAT** was one of the pioneers in enterprise feedback management, that is automating the entire survey process from touch point between the enterprise and its customers, to disseminating the feedback to professional throughout the enterprise, through dashboards.

And we do that by integrating with the CRM system, sampling a certain number of – or a random sample of the customers who have been served by the help desk, or the call center, or visited the website, sending them an invitation to a custom survey that's appropriate for their transaction. And amassing the responses in a database, and then updating dashboards that are customized.

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Jamie: What year was that? Because that sounds like a lot more involved and advance, so what year timeline wise?

John: Well, what I've just described is the functionality probably by the early 2000s. But by '97 it was, the functionality was much more limited. We didn't have dashboards initially, we only had the – we had no automated actions initially. All of that got added and enhanced throughout the 2000s. And for example, at first it was real time alerts.

And then it was case management that was where a high valued customer, who was dissatisfied, their survey response would automatically open and assign the case to the right case team to ensure that that customer got followed up with promptly. So that was – and of course that required business rules to determine which ones were the high valued customers.

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Jamie: But see that's what so insane is like as the – like, you started, and then you're like okay, this is little bits, right? Yeah, we talked about this, we beta tested, we're trying to MVP it, like all that fun stuff, but then the technology probably didn't even exist to do some of the stuff that you wanted to do until later. So this is why it blows my mind to think about way back then, when everything was the

Wild West, right? So let's fast forward a little bit, you tell me, especially because I love technology and the future of technology and all that stuff, is it like that now?

I feel like right now we've got so many SAS companies. We've got so many widgets, and productivity apps, and all these thousands of things, that it's such a more competitive market. Finding something as you did in that space would just seem to go really, really well because it was highly needed. It just doesn't feel as easy anymore. What do you say to somebody that says something like that to you?

John: Well, Silicon Valley is a lot bigger today than it was 20 years ago. And there are absolutely more players, more entrepreneurs trying to get businesses off the ground. At the same time, there are a lot more niches than there were 20 years ago.

[00:19:00] And every so often, I hear an aspiring entrepreneur say something like it seems like all the customer needs have already been satisfied. That's ridiculous. Every time a new product or service comes to market, yes, customer needs are satisfied, but also new customer needs are generated. Either the products or services can be improved, the company's providing them. Have needs that you, an entrepreneur can satisfy, or they create needs around them.

For example, mobile devices create the need for carrying cases, and electronic vehicles create the need for recharging stations. So in my view, there's never been a better time to start a business than right now because there have never been as many unsatisfied opportunities to either address or consolidate as they are right now.

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Jamie: So okay. So a perfect segue to exactly where I wanted to go. So when we're starting to go where do we choose, in this list of customer needs, what will actually work? And I know your book talks quite a bit about this, but even in general. I've been thinking about starting a SAS company separately. I love what I do. And I love that we make great revenue and all that.

And I love texts so much, I want to get into like AI and robots and all sorts of stuff. But it's also a huge space in general, finding one customer need that you can solve in a niche really well, and choosing that seems difficult. So give me some advice on that?

John: Well, you have a natural advantage in any area that you're deeply passionate about. And we hear a great deal about passion these days, it's almost boring.

[00:21:00] We don't hear nearly as much about the other side that is needed to be success starting your own business and satisfying a customer need, and that's perseverance. We don't hear as much about that. And we don't hear at all about how the two reinforce each other and form a positive feedback loop.

Jamie: I love that.

John: But passion is an attitude, perseverance is a behavior. And if you can think how in many aspects of our lives, our attitudes and behaviors reinforce each other and form a positive feedback loop, if you just stick with something long enough, until you get good at it and start to love it, that's an example of perseverance driving passion. Conversely, if you already love a subject, and you know how the hours can go by like minutes when you're engaged in it, that's an example of passion driving perseverance.

So you can see how the two reinforce each other. And if you can think of any aspect of your life, where you've experienced that positive feedback between passion and perseverance that is probably a really good area to consider starting a business.

[00:22:00] And in my book, *Unleash Your Inner Company*, I lay out a ten step process for discovering, launching, and scaling the ideal business for you. And step number one is where in your life have you experience the positive feedback between passion and perseverance? If you haven't experienced that, the book gives you some exercises, so you can experience it, and discover where those areas are for you. And then step number two is what are the unsatisfied customer needs in those areas?

It turns out there are an infinite number of unsatisfied customer needs in any area, including the ones you're passionate about, you just have to recognize them, test them and confirm that they're real. And the book lets you do that as well. And then it goes all the way through to step number ten, which is scaling up the uniquely differentiated business that you've created. So that in a nutshell is the unleash your inner company process.

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Jamie: Okay. So let's put an example together and we can see if you can give us some advice. So some people that are listening might be doing \$5,000 or so a month, but are like I'm ready to scale. Let's say it's a SAS company. And where you're looking to scale something like this, it can be a little overwhelming, especially because we've got smaller mindsets. Because we're like okay, I made \$5,000, woo-hoo, right? And then when we're starting to try and grow it bigger, what are some of the steps that need to happen?

And I'm sure you need to know a lot more about this fake company in order to know, but what would you give us in general to help us with the scaling side, especially if we want to go really big?

John: Well, first of all scaling is a really good question, lets come back to that.

Jamie: Okay.

John: First we need to make absolutely sure the need is real.

Jamie: I love that.

John: I started my first company Decisive that I was talking about, with a really cool technology, for which there was no market need.

Jamie: Really?

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John: And it took six to nine months to let go of that idea and exchange it for something for which there was a real market need, mainly online surveys. So I won't bore you with what the cool technology was, but it was the idea that we had before we came up with the idea for Decisive Survey, conditional –

Jamie: I love the way you just said that though, because everyone's like oh, he just stumbled on to some amazing idea. Oh, look at him. Oh, that was great back in 1995.

John: So that's why I say start with the customer need because that way you'll make absolutely certain that you are satisfying a real customer need. And then you need to confirm that it's real and not currently being satisfied. The book lays out techniques for doing

that, talking to customers, having focus groups, seeing what's already out there, seeing what products and services are available in retail stores online and so forth. And then for the ones that seem real and unsatisfied, coming up with possible solutions to those.

[00:25:00] Let's say sometimes I hear, you know my passion areas don't seem very businesslike. Let's say I'm really into long hot baths, kittens, and comic books.

Jamie: That's me, how did you know? No, I'm kidding. I have a dog, but otherwise, yes.

John: Those don't sound very businesslike do they? But even in these areas there are an infinite number of unsatisfied customer needs.

Jamie: Let me just put in because you said comic books and I have a Dead Pool figure right next to me, so I'm sorry, continue. I do actually like comic books.

John: Who is that?

Jamie: That's Dead Pool.

John: Who is that big –?

Jamie: Dead Pool from the comic books.

John: Oh, great.

Jamie: See you were right.

John: Can your readers see – can everyone see that?

Jamie: Yes, yes.

John: Well, let's take the long hot baths, probably like to read, listen to music, talk on the phone when they're in the tub, don't they? How about a floating waterproof case for my iPhone or iPad, so I can talk on the phone when I'm in the tub.

[00:26:00] Kittens, kittens lose a lot of their cuddliness when they grow up to be cats, don't they? How about a diet or a genetic therapy that would allow a kitten to stay a kitten its entire life. There'd be a lot

of demand for that wouldn't there? Comic books, the hugely successful tradeshow Comic-Con in San Diego, do you go to it?

Jamie: Oh, yeah. I haven't been to that one, but I've been to Comic-Con before. Oh, yeah.

John: Dress up as their favorite comic book characters, hugely profitable. So it does not matter where in your life you've experienced passion and perseverance, there will be unsatisfied customer needs, and you just need to find them. Here's one technique I offer in the book for finding unsatisfied customer needs. Think of any product or service that you currently use in an area you're passionate about. Say it's running, say you're an avid runner. Okay, great, well, I'm no runner.

[00:27:00] When I think of my running shoes, that's one of the products I use, what are limitations of that product or service? Well, I can think of three limitations of my running shoes. Number one, they start to smell after I've worn them too many times. Two, if I want to change the shoe laces to match the color of my outfit, it's a hassle to thread and rethread them every time. And three, the shoes don't tell me how far I've run or how fast I've run, and they should know that, shouldn't they? So those are three possible unsatisfied customer needs.

And I can go online, go to retail stores, see if they're already being searched, confirm that other people, not just me, have those needs. So some of those have solutions currently, some of them don't. Let's say that changing the color of the shoe laces easily to match my outfit doesn't have a current solution, great. That's an opportunity for me to be creative and come up with my own solution, maybe a set of shoe laces that snap on and off of different colors, so that I can do that in one fell swoop, rather than having to thread and rethread them every time.

[00:28:00] But for the shoes that smell, and for the shoes that don't tell me how far or fast I've run, there are already some solutions to those. For example, foot pads, and foot sprays, and odometers, and Fitbits, and Jawbone UP, and so forth. Well, then ask yourself what are the limitations of those solutions? And even the solutions to the limitation I originally came up with also have limitations, and then are there solutions to those limitations? So the footpads have to be replaced every week, or the foot spray has to be done every day.

What if I could go an entire month with a solution without having to replace it? And the odometers, and Jawbone, and Fitbit, have to be put on to my shoes or on my person, and taken off, I might forget to do that. What if it was built into the shoes somehow?

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So you can see you start out with a single product or service in an area that you're passionate about and it expands into an entire tree of possible unsatisfied customer needs. And that's one technique in the book for coming up with a potentially infinite number of unsatisfied customer needs in areas that you're passionate about.

Jamie:

I adore this. Okay, so next step on this though, is how do you know that it actually will work? Because there's also a pivot point, or not a pivot point, but a very specific point, where you're like okay, this actually will work if we scale it, or this won't work, and we just sold it to like five people and they liked it okay. So where is that, and how do we do that, especially if it's something like a new line of Fitbit, which would take a lot of testing and figuring out electronically?

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John:

Well, before we get there, we have to confirm that this customer need is a good fit for you the entrepreneur. And so what the book has you do is come up with a whole bunch of unsatisfied customer needs. And then and only then inventory your resources. And see how strong the fit is between your resources and each of those customer needs, and see where the fit is the best. That's where you're most likely to be successful. And to help you understand how you have many more resources, each and every one of your listeners, to start a company and make it successful than they realize.

I like to go back 400 years to what is now Hyderabad, India. 400 years ago near Hyderabad, but it's Hyderabad today, a wealthy farmer was approached by an ancient Buddhist Priest, who told the farmer that if he could find diamonds, he could become the most wealthiest man in the world.

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And the farmer, despite the considerable wealth that he already enjoyed got really excited about that idea. And so he sold his farm, bought diamond equipment, assembled the right team, and spent

the next two decades traversing the vast North African, Asian, and European continents in search of diamonds. He found none. And at the end of 20 years he stood on a steep cliff overlooking the Mediterranean, starving, despondent, afflicted, penniless.

And in his utter desperation as he stood there, a huge wave came up from the Mediterranean. He threw himself into that wave, disappeared beneath its foaming crest and was never seen again.

Jamie: Horrible story. Okay, continue. Yes, I know there's more.

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John: Meanwhile, the guy who bought his farm was tending to the fields. A stream ran through those fields. He noticed a funny black rock in that stream. He reached in and pulled it out, and saw that it had what looked like an eye that reflected all the colors of the rainbow. He thought that was unusual, so he took the stone, put it in his pocket, brought it back to the farmhouse, put it on the table, and forgot about it. Well, sometime later that same ancient Buddhist Priest stopped by for a visit.

And got very excited to see a diamond in its original unprocessed state on the table. And he asked the farmer, are there any other stones like this? And the farmer didn't know. So together the two men ran out to the fields and discovered they were literally covered with diamonds, tens of thousands of diamonds, acres and acres of diamonds.

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That farm would become Golconda, the most prolific diamond mine in history, near what is today Hyderabad, India, the mine from which the crown jewels of England and Germany were mined. If the first farmer had just realized all of the resources that he had, he would have become the most wealthiest man in the world. Well, similarly, each and every one of your radio listeners, your video listeners, has acres of diamonds, and let me tell you how to inventory and catalogue them. I use the acronym STAARRS.

The word starts with 2 As and 2 Rs. Your skills, the technologies that you know about, your assets, and those could be physical financial or knowledge based, your achievements, your relationships, both personal and professional, your reputation, and

your strengths, as in inner strengths, qualities like courage, passion, perseverance, compassion, and so forth.

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And regardless of where your listeners are in life at this moment, whether they want to start a company or not, something that is a very worthwhile exercise, is take out a big sheet of paper, make seven columns on it. And at the top of each of those columns write one of those words that spells STAARRS, your skills, technologies, assets, achievements, relationships, reputation, and strengths, as in inner strengths.

And under each word, write down as many of those qualities that you have that you can think of. That is what you have to work with. And we use in the book, we use this sheet of your STAARRS, your STAARRS chart as we call it, to evaluate each of the unsatisfied customer needs that we've come up with.

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And see which of your resources, they can make the best advantage of, where that fit is the best, is where you're most likely to be successful. And so the process is one very much of strengthening the fit, seeing where you can make it stronger, and making the best fits stronger, crossing the weakest fits off the bottom of the list, and then finally narrowing it down to the one best fit.

Jamie:

I adore all of this, especially in my book I talk about very similar things, like we call it the lifestyle test, and we start figuring these things out. But as you were saying this, I started writing all this down, too. So for anybody that even already has a business, considering it's the end of the year and people are doing planning, they should be doing this anyway for their current business for what they've got.

Because we just went at a yearend review for my master anger group that was a whole year program. And I asked what resources, what decisions, what skills have you not used enough of this year that you really need to level up next year?

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What resources are missing that you might already have a relationship to or something like that. And it was crazy when you asked those questions, we don't even know what we have, so I love that you put it this way. So make sure, everybody that's listening, well, of course get your book, but also make sure that in your

planning for this year, it really shows what you already have. Because I feel like as entrepreneurs, we're always looking out.

They're like oh, well this has some, or there's a new thing over here. We get a little ADD all over the place. And we hesitate when we look inside and go: oh, we have all of these things already; we just need to make sure we're using them to the best of our ability. So I so appreciate you saying that.

John: That last column, the inner strengths, I think is the most important column. And in fact, I devote an entire chapter to your inner strength, recognizing them and building them. It's hard to start your own business. And so you can be very deliberate about building your self confidence.

[00:37:00] The book shows you how to do that. The chapter is called "Growing Your Mind From the Inside Out". And here are a couple of the different techniques in that chapter. Number one – and incidentally the book has been informed by a lot of professors from MIT, one of them is Anne **Grabill**, brain and cognitive science. One of the things Professor Grabill says is the only way to break a habit is to start a new habit. And the mind is like an iceberg.

We're only consciously aware of about ten percent of the ideas, messages, signals, and so forth surrounding us that go into our mind. The remaining 90 percent are like the icebergs underwater. We're not even consciously aware of the signals and messages and so forth that enter our mind, these underwater ones. Well, some of them can be harmful.

[00:38:00] Negative messages in particular that we repeat about ourselves again and again enter our unconsciousness mind without us even knowing them. And the unconscious mind accepts them as fact, and they become fact. They can become a self fulfilling prophecy. So one of the techniques in this book is never say anything negative about yourself. To be very clear, I'm not worried about what other people think about you. I'm worried about what your most important audience thinks about you, your unconscious mind.

So instead of saying anything negative about yourself, think of that negative thing that might creep into your mind: I'm no good at sports. I'm no good at math. I'm ill at ease socially, whatever it is. Think of a specific moment, no matter how small, where you did the opposite? If it was a party, you put everyone at ease. If it was a

game, in that game you were the star. If it was the directions, you got us there without looking at the map.

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If it was the math, you were able to do it in your head. Write down every detail of these specific moments. Make them as tangible as possible. And think about them as you're falling asleep, and let those positive thoughts about you squeeze the negative thoughts out of your mind, and that will become your new reality. Here's another technique from that same chapter. When I was in my mid-thirties, I accepted the fact that I'm gay. Most people wouldn't view that as a strength. I disagree.

For me it's been a strength for five reasons. Number one, when you're growing up gay, you know unambiguously, with absolute certainty that at least some of the world's routine assumptions are wrong. People routinely assume that guys are attracted to gals and vice versa. You know that it's not universally correct.

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So growing up gay has helped me think outside the box, not necessarily accept the status quo, and that has made me a better entrepreneur. Two, it wasn't socially acceptable to be openly gay when I was growing up, and so at least some of the energy I might have put into dating, I put into sports, and career, and studying instead. Today 30 years later, I'm hugely enjoying the benefit of that early investment. Three, I'm not a minority in any sense that I can think of other than being gay. And so it has sensitized me to the challenges that minority's face.

Four, when people see that I'm not trying to hide my sexual orientation, it helps build trust between us. And five, I think it further conveys that I have strength and reserve, if I can be open about the fact that I'm gay. So similarly, if there is some aspect of your life that you genuinely cannot change, find a way to do it as an asset. Set the bar very high.

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Don't use this as an excuse to accept some aspect of yourself that you can change and would like to change, but if you genuinely cannot change it, if you can find a way to view it as an asset it will be hugely empowering for you as it was for me. And that aspect of yourself will become one of your strengths. A few years ago I told this exact same story to a group of undergraduates in Guatemala, to a large auditorium. And about half way back in the auditorium was a young man. And as I spoke, he slowly made a fist, raised it to his chest, and gently pressed it against his chest like this.

And at first I thought it was a small gesture of agreement or support for what I was saying. But then, when I looked again, I saw he wasn't making a fist at all. His hand had no fingers on them. And I imagine he was saying this I cannot change. This is my strength. So similarly, if there is something about yourself you genuinely cannot change; find a way to view it as a strength. It will become one of your strengths.

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Jamie: I love this so much. And it's so funny, as you're telling the story, like all I could think of – so my brother was extremely critical when I was younger. He was telling me I was ugly, not good enough, like over, and over, and over, again. And what I had to come to terms with a lot of that was to go it actually made me so competitive, and so like to prove to the world, so I would just do whatever it took to go after that.

So instead of being like: oh, I have all these negative beliefs and I'm trying to get over them. I was like this is good, this is an asset, this has set me up for life. Instead of looking at how horrible, because it wasn't a great space to tell you the truth, but looking at the negative side of it is huge compared to the positive.

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And so it's so crazy though the evolution of who you become when you really start making your face go, actually I'm looking at the positive, instead of looking at all the crap, because there's always crap. As an entrepreneur there will always be more problems. We are problem solvers. There will always be that, so I love what you're saying in all of this, especially giving tools and tactics to do this.

So what do you suggest, because I know people listening right now will be like that was amazing, thank you so much, and then they won't actually do anything with it. So how can we help them to actually take that and actually do something with all that amazingness that you just told us?

John: Well, start with the book. It looks like this.

Jamie: Go get the book. Can you find it on Amazon, too?

John: Yeah. It's available for Kindle; it's available in hard copy, whichever you prefer. So the book lays out the ten step process. And there are exercises in almost every chapter. There are core lessons in every chapter. It's really easy to follow.

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Jamie: So if you get the book, you have to do it people that are listening. So we have a tendency to buy books and then skim, or don't actually do any of the exercises. So I'm just trying to make sure we're highlighting to everybody the commitment to the goal is what counts. So please if you do buy the book, which you definitely should, make sure you actually do these exercises we're talking about. Okay, continue.

John: You know, we were talking about the importance of passion and perseverance, that's a great place to start, thinking through where have I experienced that positive feedback? I've been a math geek since I was in junior high school, so not surprisingly all of the companies I've started have dealt with analyzing data in some fashion. And to show you the power of starting with this positive feedback loop of passion and perseverance, I remember the year of my life, which was the toughest year of my life, and the one where I learned the most, that was the dot com bust of 2001, 2001.

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In the first quarter of 2001 I would often wakeup in sweat soaked sheets sticking to my skin. Our second round of financing, this is with customers sat, refused to come together despite flurries of meetings with investors as we ran out of cash. And for your listeners who aren't familiar with the term dot com bust, the internet became first commercially available and was productized throughout the 1990s.

And it attracted billions of dollars of investment. That huge investment and over investment reached a climax in 1999, and that huge bubble collapsed in the dot com bust of 2000 and 2001. And it finally hit us in the first quarter of 2001 when our revenues, which had been on a healthy growth curve through the end of 2000, finally took a 20 percent hit in the first quarter of 2001.

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And that's a lot, 20 percent is a lot for software as a service model. So when my management team and I finally realized that our Series B round was not going to close, we huddled to figure out what to do. First we cut our own salaries, and then a few weeks

later those of all our employees by 10 percent. I cut my own salary by 50 percent. Agonizing and debating over every individual, we laid off 40 percent of our workforce, 40 percent of the company we'd spent the last three years of our lives building.

When I assembled our remaining employees immediately after that to explain to them that this was the only way we could stay afloat and stay together, I felt my composure collapsing and I broke down sobbing in front of our employees. They stood there stunned, sympathetic, and embarrassed that their CEO was crying in front of them.

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To help us get through one of our investors lent us \$300,000, lent me \$300,000 for the company, but not directly to the company, to me to pass through meaning that I, the CEO and founder would be personally liable for repaying the loan. Later I would repay that investor to whom, despite the arrangement I was deeply grateful, by mortgaging my townhouse in Menlo Park. The second quarter of 2001, our revenues fell again. This time to have enough cash to make payroll, we factored receivables, that is we sold our future receivables at a 20 percent discount for cash today, which an experience maneuver and not one that you want to do on a regular basis.

I reduced my own salary to minimum wage, which was the legal limit. To help us save on rent, we consolidated in the less attractive second floor of our building and rented out the more attractive ground floor to another startup. That company quit paying us rent after a couple months. And came in late one weekend and cleared out all their belonging and disappeared without a trace. The nightmare would not end.

[00:48:00]

Jamie: Oh, my gosh.

John: So finally we could see profitability ahead in the third quarter of 2001. And then on September 11th terrorist attacked the World trade Center and other targets in the North East. The entire North East communications grid was down. It took an entire day just to confirm that all of our employees were still alive. Finally the next day I was able to put out a message, all customer sat employees are safe.

Even though we were 3,000 miles away in Silicon Valley, even there every company I know of had clients or customers who lost family members or employees in the attacks. One of our clients was Okami Technologies, who lost their brilliant cofounder Danny Liuen on American Airlines flight 11.

[00:49:00]

If the dot com bust of 2000 and 2001 did not kill a company, almost certainly the terrorist attacks of September 11th did. Well, we did not make a profit in that third quarter of 2001. We did break even in the fourth quarter. We did not hire a single new employee for 18 months. And the going kept tough for the next two to three years, but we made it through. And the company was acquired in the first quarter of 2008. And why did we get through? It was not because we were smarter, I believe, than other management teams, not at all.

We absolutely did not have more in the way of resources than other companies did. We only raised \$3 million, which was not that much, even in those days it was this combination of passion and perseverance that got us through.

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And we cared more deeply about our company, all aspects of it, about the coolness of our products, about the satisfaction of our customers, and most importantly about each other than other management teams did, and we stuck with it longer. As I mentioned it was another seven years before the company was acquired in the first quarter of 2008.

Many other management teams just threw in the towel and gave up before then. So it really does work to start with areas that have you have experienced passion and perseverance in.

Jamie:

Oh, my gosh that story is so – anybody that's listening right now, you didn't have to go through that, so please you can see positivity in absolutely everything right now. The fact that you were able to look at that and keep moving forward, even when it was way easier to quit in any second of that year or probably many subsequent years after that is insane. Especially, I loved how you framed it at the beginning when you said this is the hardest year, but also the most growth within yourself, which is insane.

[00:51:00]

So sometimes we can't see the forest for the trees when you're in it, but I'm sure now looking back and seeing the change of you as a

human being, you'd probably still trade it though wouldn't you? Would you trade it, the whole experience?

John: No. In fact a lot of people ask when should I start a startup? And the general principle that is absolutely is do whatever you think at every step of the way will add the most value to yourself the most rapidly. And that year was absolutely the year I added the most value to myself. I consider that I earned my executive stripes for the first time in 2001. Now I was in my early 40s at that time. What if you could have that experience while still in your 20s? It would serve you well for the next two decades and for the rest of your career and life. So don't wait too long to branch out on your own and to start your new venture.

[00:52:00]

Jamie: Well, and I will answer this too because I think what's so amazing is anybody that's going through a rough spot right now, the words that you just gave them that will help them through this tough, tough time because sometimes it just feels so bleak that it's hard to continue. And hearing your thoughts from the other side of going through something as crazy as that as bring one of the best learning moments ever, that person that's listening can shift their thoughts a little bit and move forward knowing that they're earning their stripes at the moment.

So I know we have to start wrapping up. The time went by so fast. I'm going to ask you the last question that I always ask, and it's what's one action listeners can take this week to help move them forward towards their goal of a million?

John: Well, as I said the whole process I've laid out goes into detail in the book *Unleash Your Inner Company*, it's on Amazon, it's on Kindle, it's on hard copy. Follow the steps in the process. It lays it out clearly from ten steps.

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From what are you passionate about and perseverant about, all the way to scaling up. What are some of the steps in between we haven't talked about. How can you be different from what other people are doing? "Different is Better than Better" is the name of one of the chapters. Think of Apple, Apple is different from all the laptops that run Microsoft Windows, easier to use, better for graphics, music, video. Over the decades the Mac has steadily

taken market share away from Windows' laptops, and Apple has become the most valuable company in the world.

So similarly you can be different, a different approach, different technology, that's one of the principles. The book goes into much more, what to look for in a cofounder?

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When's the best time to raise money? We just don't have time to – how to deal with an increasingly hostile regulatory environment is one of the other chapters we talk about. So enjoy and visit the website www.unleashyourinnercompany.com.

Jamie:

I love this. And definitely if you guys pick up the book, go check it out, go pick up the book, and then actually do it. So yes, reading it is one thing, but I think, like you were saying, actually going through exercises, learning about yourself as entrepreneur is one of the best things that you can do, and I don't feel like we do that enough. When we're like running around like chickens with our head cut off trying to do this and trying to do that, and trying to check all the things off of our to do list, instead really take the time to actually look at what your resources are.

And come at it from a smarter top level view, instead of just being stuck in the weeds, which I know all of you listening most likely are because I work with you guys all the time. Thank you so much John. So tell us are you on twitter and stuff like that, too? We want to follow you because I know you had tons of really awesome content on your other site also.

[00:55:00]

John:

Yeah, please. Twitter is John D. Chisholm. The website again for the book is www.unleashyourinnercompany.com. My own website for John Chisholm Ventures is www.johnchisholmventures.com.

Jamie:

Thank you so much for coming on today. I really, really appreciate it.

John:

Thank you for having me on. It's been a great time.

Jamie:

It's so nice meeting you.

John:

Thank you.

Jamie: Thank you John. Take care everybody.

John: You, too.