

---

Jaime Masters: Welcome to Eventual Millionaire. I'm Jaime Masters. Today on the show, we have Dan Lok. Now, he's a serial entrepreneur, keynote speaker, and author. The most amazing thing about him is most keynote speakers don't actually have a ridiculous number of businesses that make millions of dollars a year. I'm so excited to have you on the show today. Thanks so much for coming on, Dan.

Dan Lok: Jaime, thank you for having me on. I'm excited and look forward to sharing my story with your audience.

Jaime Masters: Heck, yes. We were talking beforehand a little more in detail about what we're going to talk about today. We talked about getting to the next level. You've done this multiple times in business. So if you can sort of give us sort of a general idea on your successes in business and how you've gotten to the next level on a couple of them, that would be awesome.

Dan Lok: Yeah, definitely. If I go back to the beginning how I kind of got into business, I got into business kind of by accident. Money never motivated me that much. I got into business out of necessity because at a time when I first immigrated to North America my mom and dad – I was 14 years old. Couldn't speak a word of English. Didn't know anybody. My mom and dad got divorced when I was 16 years old. I was the only child in my family. My father went bankrupt in Hong Kong. He lost millions of dollars.

Not his fault, his business partner basically took the money and disappeared and left him with millions of dollars of debt, I'm talking about. That just wiped him out. He couldn't support us anymore. So I was the only child in the family. I had to man up and grow to be a man, stop being a boy, to take care of my mom. I know I couldn't take care of my mom working at a minimum wage job. I was talking with different people. There was one particular mentor that I talked to said, Dan, you're not very good looking so acting is out. You're not very athletic so sport is out. You're not tall; you're not very smart. So business is the way to go.

You should be a business man. Surround yourself with smart people, people smarter than you. There we go. That's what I'm going to be, a businessman. I kind of got pushed into business by accident. I wasn't particularly good at it because I started my business when I was in high school. Then, I failed at 13 businesses. 13 businesses, Jaime, before having my first success.

Jaime Masters: Really? That makes everyone feel better. Tell us more.

Dan Lok: I tried vending machine. I tried network marketing. I tried fixing computers for people. I tried mowing lawns in my neighborhood. I mean, I tried all kinds of businesses. So it's funny because nowadays people say, oh, Dan. You have the Midas touch. Everything you touch turns to gold. I always say you should see me when I was young. Everything I touched turned into shit. It's like, Jaime, if I was to buy stock, it would go down. If I just buy a stock and you shut the stock, you would make money. I had magic power; everything I touched turns into disaster.

Jaime Masters: Well, that's so funny. Even the things that you actually mentioned for businesses, that's what tons of the millionaires that I've interviewed – they started mowing lawns. They started doing vending machines. Like, those are the things that are supposed to work. Why didn't they work for you?

Dan Lok: I think at first when I got into it I was so focused in doing the work. Here's a lesson when going to the next level, Michael Gerber talks about this, right, in his book E Myth. Most entrepreneurs are technicians suffering with entrepreneurial seizure. So that means, oh, you know what, I've been doing this for 10 years. I've been doing plumbing for 10 years for my boss. I hate my boss; I'm going to quit my job. That's how most people start their business. I hate what I do; I want something else. Or I think I can do better. I see this in the market. I think I can do better.

But that's actually not a very good reason to start a business. You start a business by focusing not internally. Some people start a business because they want more freedom. I want to spend more time with my family. Nothing wrong with that. We all want certain things in life, but that's not sufficient enough reasons to start a business. That's why most businesses fail. You start a business because you see there's something in the marketplace. There's a need you could fulfill. You can deliver this unique value to marketplace.

I always say to an entrepreneur, why about the idea they have. I want to do this. I want to start that business. I want to start a website. I want to start selling whatever. I always ask them why you? Why now?

Jaime Masters: Great questions.

Dan Lok: What qualifies you to do this? Oh, because I want to make some big money. You're not going to make it. There has to be enough reason. There has to be an advantage going into the marketplace. Just say I'm going to work harder. I'm going to hustle. I'm going to be better. None of those are good reasons. Now, those are important qualities to be successful, but not enough.

Jaime Masters: So give us examples because everybody is going, crap, I don't know how to answer this. Those are hard questions.

Dan Lok: Very hard questions. So, why you meaning what qualifies you to be in this space. I see so and so making a lot of money doing this. That doesn't qualify you to be in that space. Or I think I can do this in my spare time. See how it's all me, me, me focus? That's not good. You've got to take that out and focus on the marketplace. You know what; I have some years of experience in this. I have a lot of connections. This is a particular problem in the marketplace I think is not being solved for a lot of people. I think I can put together a team and bring a unique solution to the marketplace that's more affordable that people will love. I could do that.

When you can do that, that's a good reason to start a business. That's a good starting point. Just like nowadays, it's funny. The biggest content publisher on the planet, Facebook, doesn't create content. Right. We have Uber, the largest taxi company in the world. Doesn't own any taxi, right. Expedia, the biggest travel company in the world, isn't a "travel agency". You know what, there's a gap in the marketplace. I don't need to own anything. I can put together a platform. I can be the middle man and bam.

There you go, a massive, massive company. So people need to think in terms of that, number one, also their capabilities. I always say, Jaime, people talk about follow your passion. The problem with just following your passion is – I'll give you an example. I have a friend of mine who is a sales trainer, international sales trainer, quite well-known. One time we had this conversation about following your passion. You know, Dan, we're talking about passion. Do you know what I would love to do? I would just love to stay home with my kids in my pajamas watching a basketball game and eating pizza. That's what I would love to do.

The problem is I can't figure out a way to get people to pay me to watch me do that. So until then, I have to go on the road and travel and speak and train other organizations. That's exactly what it is. Passion without skills is just insanity.

Jaime Masters: I agree 1,000 percent.

Dan Lok: You can't just say I'm motivated. I'm passionate. You see a lot of people with big goals and passionate about what they do. But take that outside of your own world. Who else wants this? I love this. This is going to be great. Yeah, but who else said they want it? I don't know, but everybody would want this. That's not good enough.

Jaime Masters: What? People don't want to watch me watch TV? I mean, that sound awesome.

Dan Lok: Right? We turn on the webcam and watch TV, and they start pay palling us. Wouldn't that be nice.

Jaime Masters: Exactly. That's Internet marketing, right?

Dan Lok: There we go. Then, people, I think, go through different phases. The first phase is what I call the personal development phase. They go through – they watch Tony Robbins. They watch **Levine Tracy**. Zig Ziglar, Think and Grow Rich. That personal development stays – notice I say it's a phase. It's a very important phase. You get your head screwed on straight. Setting goals. Developing good habits. Time management. All these things. But that's not enough. Once you go through that phase – I went through a phase that I call success junkie.

Then from there, you've got to go through what I call the business acumen phase. Now, I'm motivated. I'm passionate. I've got some good habits. I work hard. That's good. Now, let's develop some skill sets: sales, marketing, negotiation, and strategies – all these things. From there, with your skill set and your mindset combined, you can go to the next level. There you've got to go to the next level which is you have your mindset and your skill set. Now you need what I call insider knowledge. In every single industry there's what I call insider knowledge.

I'm not talking about like insider knowledge as there's some confidential information or some secrets. I'm not talking about that. I'm talking about in every industry there are two or three of five factors that makes that business work. You've got to find out what those things are. You've got to kind of pull this lever. In terms of Internet marketing, Jaime, what everything boils down to.

---

Yeah, you can talk about Facebook, Twitter, social media, Instagram, Periscope, and Snapchat.

All these thing you could do, but really what it boils down to when it comes to Internet marketing and traffic conversion period. So if we master traffic, let's say I'm very good with **SEL**. I'm not good with anything else, but I'm damn good at SEL. How do I get traffic to my site? Then, if I'm good with conversion of an offer, I make money. It's that simple. Everything boils down to that. That's field critical success factors – what I call critical success factors. So when you know what all those things are and you master those few two or three things usually no more than three believe it or not, it will work.

That's why I could – people say, Dan, how can you be involved with so many businesses? Yeah, they do different things but at the end of the day, you're selling to people. You're serving the market. You're serving a group of people. There are only two or three things. If I can figure those out before I run out of cash – that's the key, you've got to figure that out before you run out of cash. You should figure that out, ideally, before you make all the mistakes, then you've got a shot at making it. Right.

Jaime Masters:

I love this. Okay. So let's put it more into a little bit brass tacks. So let's say somebody is a technician. Right. Entrepreneur and maybe an assistant or a handful – not many people. But like you were saying before, they feel kind of stuck. They're working sort of in the business not on the business. They know what they need to do, but they don't have enough time. It's the classic example of people that are like I'm working so hard for not as much money as I think I'm capable of. What do you give them for those steps? Is it, okay, I need insider information? Is it focus? Like you started going over quite a few pieces. Give me some step by step on what they should do first, second, and third.

Dan Lok:

Very good. Very simple. I teach this to all my mentees, all my students. It's what I call the wealth triangle. There are three steps. Think in terms of like a triangle. There are three corners, right, Jaime. So the first step for anybody in business is what I call high income skill. High income skill. Now, the way I define high income skill is a skill set that has the potential to make you at least \$100,000.00 a year. Okay. That's the first step. Now, that could be a number of things. When I was getting started, my first high income skill was copywriting. I was writing ads for people.

My first mentor, Alan Jacks, took me under his wing. I worked with him for one year for next to nothing, basically volunteered for one year. But he taught me that skill, high income skill. Then, in my early twenties, I was making six figures, \$10,000.00 a month, as a copywriter working with other business owners. So that's the first step, high income skills. The second step is what I call scalable business. Scalable business. Now, it could be an Internet business. It could be marketing, Amazon; it doesn't really matter what it is. Scalable means that you can scale the business without a whole lot of infrastructure, without a lot of people. Okay.

Then, you have what I call high return investments. High return investments. I define high return investment as investments that would give you at least a 10 percent return year in and year out. Year in and year out. Here's why it's so important. You think in terms of this triangle. One, two, and three. The problem with most people – let's talk about high income skill. Wouldn't it be great for most people if they are making at least \$10,000.00 a month? They are pretty comfortable like they are not desperate. You pay the bills. You've got your place to live. You've got shelter, food, and a car, right, transportation. You are okay. You're okay. The problem is most people that try to start a scalable business without a high income skill.

Jaime Masters: Interesting. Okay.

Dan Lok: So what you notice is high income skill gives you cash so that you have the peace of mind. You're paying the bills. Your business gives you cash flow. It gives you cash flow that you can grow; you can scale. It's something you can fall back on. Then, your high return investment builds your net worth. So in my case, it would be real estate. There are many different types of investment, but I like real estate. It builds my net worth. So in terms of both those three, you make cash with your skills. Now, you start a business. If you start a business without a high income skill, here's what happens.

In most instances, you only go out of business because you run out of cash. Period. Period. Sometimes revenue is – you run out of cash; you're done. When you always have these skills to fall back on, that's okay. Maybe I start a business you think would make money in three months. What if it takes you a year? What if it takes you two years? It's about surviving power. But when you have high income skills just like my businesses, all these years businesses have ups and downs. You know that, Jaime, right. It doesn't matter how good you are. There are ups and downs.

Jaime Masters: Yes.

Dan Lok: Some years good; some months you're not so good. Then, you don't have to ride this roller coaster because you always fall back on your high income skills. Over the years with my skills, for example, I'd say my copywriting, consulting, speaking – those are my skills. Those are not businesses. Those are my skill sets. Right. Since I've developed these skill sets even in my mid-twenties, now I'm 34; not a sin\$1,000,000.00 from my skill sets.

Jaime Masters: Skill sets. I love the categories. They're not businesses.

Dan Lok: They're not businesses. Speaking is not a business. You know. Consulting is not a business. I've made a lot of money. It's okay. So here's the thing. Now, I make cash for my businesses from my skill sets. I can now invest into my businesses and make them grow. See, sometimes people come to me and say, Dan, I've got this product. It's selling online. It's doing well. I see the conversion, and everything is doing well. Okay. Let's scale it. I've got no money. I can't buy more traffic. I'm so tight. That's the issue.

Jaime Masters: Okay. Good. So let's dive deeper into that piece. Then, I want to dive deeper into the next piece too. A lot of people listening are in that spot. So a lot of them are in the – they know what their skill set is. They're working on that, but they're considering it their business. Right.

Dan Lok: Which is not.

Jaime Masters: Exactly. Which is why I love that distinction. So they're considering it their business. They're going, okay, it's a lead in marketing. I just need more. So first, I need to stabilize my skill set.

Dan Lok: You've got it. Absolutely.

Jaime Masters: In general, if you can do \$1,000,000.00 in speaking, consulting, and whatever, they should be able to \$100,000.00, \$200,000.00, or \$300,000.00 with whatever their skill set is. So how do we transition them from that to actually making enough to have cash flow to start the scalable side?

Dan Lok: Yeah. So if you don't have – so what happens is if you're making \$10,000.00 a month, someone comes to me and says, Dan, I'm making \$10,000.00 a month with my skill set as a social media director – as a Facebook person – as a whatever person. That's okay because it tells me a couple of things. You're delivering value to the marketplace. You probably have pretty good work ethics. You are also probably decent with people skills. It tells me a lot of things. Less than 6 percent of the population makes over \$100,000.00 a year. When you're making 100K a year, that's the top 6 percent right there. Right.

There are a lot that will stop at 100K. Well, make enough and you keep adding value as you're honing your skills delivering. You will see opportunity. That's what I did. Right. I was a copywriter. Then, I transitioned into more of a marketer. Then, marketing consulting. Then from there, clients are coming to me selling on the Internet. Maybe I could do Internet too. I took all those skill sets that I have and went online. When I went online, I have to say the timing was good but also my skill sets. I'm ready. I know copywriting. I understand marketing. When I learned Internet marketing, it's easy. So, yeah.

Remember back then long sales letter and all those headline? Oh, yeah. Selling stuff on EBay. Selling stuff on click, bam, bam, bam. A fill in marketing. Wow, it's easy because I already have the skill sets versus people jumping into Internet marketing. Do you understand like Facebook or traffic? No. Do you know copywriting? No. Do you understand marketing strategies? No. Do you know what is irresistible offer? No.

Jaime Masters: How long does it take for somebody to? They're going, okay, I feel like I've got some skill set. But how do they know they really have refined that skill set enough to move on to the scalable?

Dan Lok: It's so easy because the marketplace will tell you.

Jaime Masters: Okay. How do I know? Give me metrics or give me like –

Dan Lok: If you say I'm so good at this, I would say – you know, Dan, I've been spending a year learning about [inaudible] [00:22:51]. I'm so good at it. Are people paying you for it? No.

Jaime Masters: Have you in the end?

- 
- Dan Lok: Right. Are people willing to pay you? No, they only pay me \$500.00 a month. Then maybe it's your people skill.
- Jaime Masters: I was going to say is that because they're marketing and sales skills suck? Or is that because they're skill set sucks? Do you know?
- Dan Lok: It could be a combination of both. So let's say they do have – they could deliver the work, but maybe they're not good at communicating the value. I'm actually worth \$1,000.00 a month as an SEL person, but I don't know how to communicate that. I'm going to work on that communicating skill.
- Jaime Masters: It's getting super honest with what you're good at and what you're not good at for sure.
- Dan Lok: Yeah. So just look at the results. Right. So that's why business is kind of the ultimate school of learning. You face bullshit every day. You can't say I'm so good at this; I'm so talented. Is the marketplace rewarding you for it? How much value delivered to the marketplace? That's it. It's like I'm so good with money. Well, show me your bank account. I'm so into health and fitness. Well, where's your six pack?
- Jaime Masters: Exactly. Results.
- Dan Lok: It's the same. It's results. Results more than anything else. So that is what – again, it goes back to we're not in our own little world. We're like what's going on. Then, you get feedback from the marketplace. Until you get there – here's what's interesting over the years. I've mentored a lot of entrepreneurs over the years. What I notice is there's something about the human being psyche. I don't know what it is. There's something about the human psyche. When someone goes over \$10,000.00 a month mark, I don't know what it is.
- Jaime Masters: Yes.
- Dan Lok: When they go to \$10,000.00 a month mark, they suddenly become a different person.
- Jaime Masters: See, okay. I'm so excited you said that because I have a whole webinar on getting to 10K because I feel like that's sort of the tipping point before someone goes I know what I'm doing a little bit.
-

---

Dan Lok: It is. Suddenly, they have this tremendous confidence. Wow, I can make 10K. They know, on average, most people don't make anywhere near that. I could do this. Somehow, they have more confidence. They have more certainty maybe. But it does something to your mind that I could do more. What's very funny is over the years with entrepreneurs, when they go over the 10 K mark, it's very difficult for them to fall below that. I don't care what –

Jaime Masters: They can do it. They've done it before.

Dan Lok: Yeah. I don't care what they do, they'll do it. Even like say some months they fall below that, naturally they do everything they could to get back to that level, \$10,000.00 in a month. The trick is how to go from \$10,000.00 to more to 50K to 100K.

Jaime Masters: Okay. Let's talk about this because this is what everybody cares about too. Okay.

Dan Lok: So when you say you're hitting that 10K, now you have your skill set. You're delivering value to the marketplace. We want to keep honing that. So one of my goals and one of your goals should be every year you want to increase your earning ability. So every year you want to – you know what, last year I made 100K with my high income skill. This year, I want to make 110K or 120K. Increase every single year. See, that forces you to learn. That forces you to go to events, online courses, invest in yourself. This continuous improvement.

Take that money – now, don't blow the money. That is a mistake I made when I was young. Think, twenty something and was making 10K a month. I felt like I was a millionaire. Right.

Jaime Masters: Me too. I was 22 going like –

Dan Lok: Woo, let's party. I was partying. I was blowing money. It was stupid, right. Don't do that. Still keep your expenses in check. Put some money aside. Now, you save some money. Now, I can take that money and go into your scalable business. Pick something. I'm bias because I like Internet, but it doesn't have to be Internet. Pick a business that's scalable. Then, you put money into it.

Jaime Masters: Do you recommend picking a different but – first of all, how much money do they need? I know it depends on the business, but how much money do they need? Picking a different skill set that is not –

sorry, picking a different scalable business that's different than their skill set?

Dan Lok: Good question. Ideally, you want to pick something that's very close to your core competency. Just at least at most one step away from it. So let's say I'm very good with SEL going back to that. Well, I'm probably going to start an Internet business that would rely on. It's an E Commerce business that would rely heavily on organic traffic because I'm very good with SEL. See, if you do that, your success rate is much, much higher versus I'm very good with SCO but I'm going to go buy a franchise. What? It doesn't make sense. That's what I mean.

So the way I do it – you can see it's very conservative. I don't like risk, Jaime. People think of entrepreneurs – I hate risk. You ask me 10 years ago I would tell you, Jaime, love a challenge. You ask me today, the last thing I want is a challenge.

Jaime Masters: Give me something easy. Okay.

Dan Lok: No, it's not easy. It's I'm not looking for quick easy get rich quick. Business is tough enough. There's so many variables. There's so many unpredictable factors. I don't want a challenge. I want to know – it's like let's say I go into a boxing ring with Mike Tyson. I'm not going to box. I'm going to take a gun and shoot the guy, right. Why would I go into a ring and box Mike Tyson? It makes no sense. Oh, no, I'm very determined. I'm very motivated. Yes, I'm not going to – no, I'm going to get my head knocked off.

That's what's going to happen. So you go into a business knowing that I know this marketplace so well. I have my skill sets; I have an unfair advantage. I may have some contacts. I want to go in knowing I would screw it up 50 or 80 percent of the time. My business is going to make it. That's what I look for. I don't want a challenge. No.

Jaime Masters: How do you find that? So let's say – like I was saying especially because if you're dealing with your high skill set, and this is what I see just with people in general transition from working in your business and being constantly busy – that's bringing in your money. You kind of have to do that. Even if you're setting stuff aside, that transition is tough. Just like having a day job and transitioning to a business, very tough. What do you suggest for that transition, in general?

---

Dan Lok: So with that transition, as I said, take your skill set or something you have and maybe even call it an entrepreneurship. Now, that's a very popular term. What I call a chicken entrepreneur. Don't mortgage your house and risk all your savings. I'm going to put everything on the line; that's not a good idea. Partner with somebody. Work under somebody; it's perfectly fine. I have mentees all the time. I have 20 something years old making 20K to 30K a month because they're riding me like my brand and credibility like a surfboard. Right. That's how I always joke about it.

I have built a reputation. So I have clients coming in saying they want additional marketing services. I say great. So my mentees, my business partner, young guy hungry, eager, smart. I said let's start a company together. I have these clients already coming in. They need my help. Let's build a company, and you can serve these clients. You see how that works?

Jaime Masters: Yeah.

Dan Lok: They have the skill sets. It would take the years to build the credibility and build up everything. Well, let's do this.

Jaime Masters: How do you trust – so then it sort of moves into partners. Because that's the other thing a bunch of entrepreneurs like I'm doing it myself. Or they go in like, yeah, partnerships are going to be great. Then, they get screwed over in the end. So what do you look for in great partnerships? How do we know that we should commit to them?

Dan Lok: Funny thing is you never know. My first business partner – that's how I kind of got screwed. It was a neighbor.

Jaime Masters: That's what I mean, right. Yeah.

Dan Lok: Basically, it kind of repeated the same mistake my father made because web master convinced me to build a website. I spent a whole bunch of money. Basically, took my money. We're talking tens of thousands of dollars as a young guy and disappeared. All my mom's savings. I maxed on my credit cards. He was gone. So that was my first business partner. After a few years later, I had another business partner, a partner from hell, same thing happened.

Jaime Masters: How could you ever say yes to another partnership from your dad to all these things that you did? Why would you ever say yes?

Dan Lok: Because it's like I always tell people – that's a question. Have you ever had a bad meal? Yeah. Do you still eat? Yeah. That's why. Before, I would have – like right now I'm involved with 21 companies. 10, 100 percent. 11 is all partnerships. Nowadays, I do everything partnerships. I do not do anything solo.

Jaime Masters: I have a friend who does the same exact thing. I'm like, man – this is probably like me and my control issues. I like having a say. I don't like having to deal with other people with their opinions. Geez. How can you mitigate that in general? Especially, how do you run 11 partnerships with 11 different people?

Dan Lok: Because it's funny. Now, it's not going to let me down of a mindset. At the end of the day, it's the same business. Of course, you have agreements to protect yourself, shock and clause, and legal stuff. To me, that's even secondary. Some of my most successful partnerships is done on a handshake. Some of my most profitable deals that I've done is on a handshake. So I really, with these people, I don't – put it this way. Let's say if the partnership we started out and it's okay. I know how to read people quite well nowadays.

But let's say I read the wrong person. I thought he was loyal and is trustworthy. Finally, he did some shady stuff and stole money from me. Then, he stole money from me. It's part of entrepreneurship, but that doesn't stop me. Quite frankly in the big scheme of things, what's the big deal? Like when you have one business, this is everything I've got. Well, when you have all these businesses, as far as I'm concerned, it happens. Right. It happens. It's like if you have a dozen eggs and one goes bad, you've got 11 eggs.

Jaime Masters: Yeah, that makes – you're in a position that it doesn't matter. It sounds like it's a skill set that you've learned. The first few sucked really bad. Just with hiring people I'm sure you get better and better with your skill set, and you have to go out and try it.

Dan Lok: That's the thing.

Jaime Masters: It's harder for people that only have one thing. They're like I can't necessarily do.

Dan Lok: But a lot of that is I know it's easy for you to say, Dan. Right. You can do it.

- 
- Jaime Masters: That's exactly what everybody is saying.
- Dan Lok: But it's like where I started if people just knew the way I started like just a couple of months ago I was speaking at Ted X. There was 2,000 people. Dan, you spoke at Ted X, right. Well, you know when I was in high school, right, I was an introvert. I couldn't speak a word of English. I had no friends. I got bullied every single week. I couldn't speak a word of English. Now, I'm doing an interview with you. Just think about it; the price I had to pay.
- Jaime Masters: You gave me chills. I know. That's the funny thing. I think people don't understand how much progress can be made in how much time. Like Tony Robbins sort of talks about we're always sort of looking at a year and not looking at 10 years. The difference of 10 years of a bad partnership is not a big deal. The difference of a bad partnership in one year would be horrible.
- Dan Lok: That's why in my office there's a globe there. Yeah, there's a globe. See it?
- Jaime Masters: I have a globe behind me actually.
- Dan Lok: I'll turn the camera. Hopefully, I won't screw it up. Can you see? Can you see the globe?
- Jaime Masters: Yes.
- Dan Lok: Okay. So I have a globe there. So let me go back here. So the globe – I have a lot of these things in my office. These are all my wealth triggers, by the way. This is my mom and dad, right. That's the Art of War. It's a trigger for me, strategy, right. Napoleon here, that's for courage and leadership. So that goes back – you think in terms of the universe, what's the big deal? I always say what's the decision? What's the big – like what we do is important, but at the same time, it's not that big of a deal. So you make a billion. Who cares? If you look at the universe, in the big scheme of things, we're like dust. Seriously.
- Jaime Masters: I said that same exact thing in my book. So that's why I'm getting so excited. We are so small when you think about it. Our issues are also very, very small.
- Dan Lok: Yeah, like what's the big deal of a bad partnership? I lose money. I have this mistake. I made an error. So, what does it matter? Nobody cares. Nobody – like if you were to combine – I was
-

---

funny. I was speaking in Toronto one time. I asked the audience, right, about 1,000 people. I said how many of you have lost \$100,000.00 in business? Put up your hand. Keep your hand up. How many \$200,000.00? \$500,000.00? \$1,000,000.00? \$2,000,000.00? I had to look around. See, my hand is still fricking up. The funny thing is the audience that has lost more than \$2,000,000.00 those few people they are the most successful in the audience.

Jaime Masters: Okay, but you hate risks. So it's an interesting thing. Most people assume that losing \$2,000,000.00 is because you were too risky.

Dan Lok: I was. That's why I learned, right.

Jaime Masters: Do you have to go through that in order to learn?

Dan Lok: Chances are, yes.

Jaime Masters: Really?

Dan Lok: Unfortunately, human being is – just yesterday, I got an email from a friend. I told her about some business. Don't do this; don't do that. No, I'm going to do it. Wow, I lost some money. That's life. When the student is ready, the teacher will appear. You learn your lesson. That's okay. Dust yourself off and just move on. Right.

Jaime Masters: All right, but how do you deal with it? This the thing that you understand. I want you to explain this as best you can on how to fix – not fix, but mitigate this. Entrepreneurship is full of ups and downs. It's our own brain of feeling like crap. Let's say you lose a bunch of money. You feel like a failure. That makes you not move forward. That makes you not make good business decisions. You're like I don't want to get out of bed in the morning. So how do we deal with that?

Dan Lok: I think that's the first step. When you lose a whole bunch of money, don't make it personal. Don't make it I'm a failure or this and that. Nowadays – okay, I'm going to share something personal with you. The first 10 years as a business person, an entrepreneur, my first 10 years – I was driven by ego. I was driven by I want to prove – I was nobody in high school. So I wanted to prove that I am somebody. That I am worthy. I am better. I'm whatever. Right. So very ego driven. Type A personality. Set goals. Achieve. Whatever it takes. Hustle. Work many hours every single day for years.

That was my first 10 years of business. Last four years of my business wasn't like that anymore. I changed completely. If you even read my book from before to now, I'm a different person. From that to how I operate now, let me give you an example. In the first few years of my life, I actually, Jaime, believe it or not I did not have goals. I did not set goals. My whiteboard is white. So first, you learn business. It's like you've got to empty your cup before it's filled. I know it's getting philosophical.

Jaime Masters: I have a Philosophy minor. I love it.

Dan Lok: Stay with me. So first, I learned this actually from Bruce Lee. First, you learn an art. Master the martial art. Then, you've got to forget it. Let go of what you've learned. So to go to that next level, that's what you need to do. So I let go of the need to control the outcome. Before, if there was a deal I wanted to close, oh, my God. The guy is not getting back to me. Let me call him again. Let me call him 10 times. Let me call him 100 times. I would push; I would do whatever it takes. Now, if he doesn't get back to me, he doesn't get back to me. Maybe it's not mean to happen. That's okay.

Jaime Masters: Yeah, tell us more on how that shift occurred.

Dan Lok: Because, you know, in life – this I got from my friend Peter Sage. We are very good friends. I learned this from Peter. I'll give you a framework because this will make more sense. In life, we go through four stages. First stage is what he calls the life happens to me stage. Life just happens to me like a victim mentality. I have no control. It's the government. It's the lawyer. It's my neighbor. It's whatever, right. You blame everybody else; pointing fingers instead of focusing on yourself. That's life happens to me. Second stage is life happens by me. That's what we are as entrepreneurs.

Life happens by me. I make it happen. I'll slay the dragon. I'll push the mountain. I'll move whatever it takes. Obstacles; whatever it takes, I'll make it happen. Right. Life happens by me. My two hands. My intelligence. There are two other stages. What happens is I operated the first 10 years as by me, and it's okay. Problem is it's exhausting. It's exhausting. Then, third stage is life happens through me. Through me. Life just happens. Let's say I have – let me give you a metaphor. Let's say I'm on the river rafting. I'm going down the stream, down the river.

We hit some obstacles. Instead of we're going to the right side. No, no, we don't want to go to the right side. We'll go to the left side. Oh, we're going to hit this. No, we're just going to let it flow knowing that eventually you'll get to the bottom of the river. That's what I talk about. You let go of the need to control the outcome. Because sometimes when you do your best, it still doesn't happen. Don't make it personal. Not I'm bad. I'm not worthy. I'm not good enough. What's wrong with them? It's not meant to happen. What's the big deal? Something else. Maybe he will come back. Sometimes he does come back and deal. So life happens through.

So now, I'm at this stage of what I call flow. I know we'll get a little Zen here. But it's actually for beginning entrepreneurs, they cannot understand as profound as this. For established entrepreneurs, you will know what I'm talking about. How do I keep myself and sustain in this state, right, in the flow? That life just happens through me. Funny thing is when I'm not attached, when I'm not like go, go, go; okay, it's just what it is. So today, I'm calmer. I'm happier; I'm more fulfilled. It's great. But guess what, my business is doing better. It's bigger and growing faster than ever. Just like the partnership deal, it works. If it doesn't work, it doesn't work.

Jaime Masters: I think the holy grail of entrepreneurship. But what's stage four? If that's three, that sounds amazing. What's four?

Dan Lok: Yeah, stage four is more enlightening. It's life past me. So you see everything as energy. Everything as one. That's more like the Jesus, the Buddha; that kind of enlightened stage. Everything as one. Everything in the universe – everything in the world is connected. Some people, sometimes when they meditate, they get to that stage four for a short period of time. Sometimes it happens. Sometimes when I meditate you can get a feel for that. You feel connected. But we go through the stages, for sure.

Jaime Masters: Does he have a book on that? That sounds awesome.

Dan Lok: We have an interview on that. But it's exactly like that. No longer focusing on survival. You're not focusing on success. Success is me, me, me, me. It's about me and what I've accomplished. Look at my health. Look at my car. Look at my vacations. I travel. Now, you're focusing on significance. Now, you're focusing on legacy. You're focusing on what's my legacy.

---

Jaime Masters: How do you make that transition? Is it like I go on a mountain top and have an epiphany? Is it a long term thing? How do you actually go from one stage to the other specifically?

Dan Lok: You get that through motions. You get that through doing. It's like I'm a martial artist. I use a lot of martial arts metaphors.

Jaime Masters: You do? Oh, good.

Dan Lok: Martial artist. So I'm a huge fan. Invention. Of course, a student of – Bruce Lee's original student, [inaudible] [00:43:51]. So I'm a huge fan of Bruce Lee. Bruce Lee talks about it. Martial Arts at the end of the day is not all kicking and punching. It is expressing yourself honestly. You don't get that by just meditating. This is not like the secret love attraction crap. Right. This is truly doing through motion. You learn about yourself. Some people do it through sports or whatever. But do it through business. That's fine. Face your own motion. Face your own limiting belief.

As you overcome more and more of those, you're like this is interesting. I'll give you one quote. You'll love this. Okay. Again, it's from Bruce Lee. He said, before I learned the art, a punch is just a punch; a kick is just a kick. After I learned the art, a punch is no longer a punch; a kick is no longer a kick. Now, I truly understand the art. A punch is just a punch. A kick is just a kick. So ponder on that.

Jaime Masters: So I took Philosophy. We went through Buddhism. We went through everything. I love being able to bring this into business because I really feel like we don't – we don't look at business as an art, and it is.

Dan Lok: It is. A business is an extension of ourselves. A business is nothing more than a reflection of its owner of our thoughts, ideas, or skill sets. Like look at what Steve Job has created, Apple. It's truly an extension of him and his vision. Of course, a team and everything else; but really it's the entrepreneur's vision. So if you show me a business, it tells me a lot about the person. It's quite simple. If that business is operating questionably or selling questionable product, it tells me the character of the owner. It's quite simple. It is like that. It is an art form. I believe an entrepreneur is an artist in commerce. An entrepreneur is an artist in commerce.

Jaime Masters: Okay. I had no idea that this interview was going to take this turn, but I'm so happy it did. I know we have to start wrapping up

though, unfortunately. This has been amazing, Dan. What's one action? After everything we've been through, what's one action listeners can take this week to help them forward towards their goal of \$1,000,000.00?

Dan Lok: I say this to everybody. I say you've got to find a mentor in your life. I'm where I am today because of mentors. Yeah, I've read thousands of books. I've gone to hundreds of workshops. But finding someone who's been there and done that to show you the ropes. Over the years, I've had two critical mentors in my life. First one is Alan Jacks. Second is the \$50,000,000,000.00 man, Dan Pannier. He's quite well-known on YouTube and things like that. So for me, he's been my mentor for eight or nine years now. He helps me a lot. He's kind of extreme and outrageous and things like that, but I learn a lot from him.

Also, I learn from everybody else. Learn together. If I want to leave you with one thought, it is this. The key to business success is avoiding bad assumptions. The key to business success is avoiding bad assumptions. So avoid the assumptions. Oh, yeah. People love my product. People would buy it. People would tell their friends about it. Those are assumptions. When we learn how to reflect – and that's the problem. Most entrepreneurs don't think very deeply about their problems. When you know how to think through your problems and challenge your own assumptions, right, you have what it takes because it's about thinking. It's about reflecting. All knowledge ultimately leads to self-knowledge.

Jaime Masters: This is so perfect. I know I never ask follow up questions on this. But this makes perfect sense on the mentorship. Of course our bad assumptions – if we can ask somebody else for their opinions. Sometimes we can't see it. How did you get your mentors, though, because this is what, I'm sure, everybody is going to go my action this week is to find a mentor? But how the heck do I do it? Do you have one quick tip on how you got yours?

Dan Lok: The funny thing is just ask.

Jaime Masters: I know. I have a whole thing on this. I agree.

Dan Lok: Do I LinkedIn them? Do I call? Anyone of those will work.

Jaime Masters: Oh, my gosh.

- 
- Dan Lok: It's just like you. I have this podcast. I have [inaudible] [00:48:12], I'm sure people ask you how do you get these guests? Nowadays, people approach you, of course, Jaime. But how do you get these guests? Would you like to know a secret? Yeah, tell me the secret. It's called email.
- Jaime Masters: I know, I asked. Who knew? Don't tell anyone. It's a secret.
- Dan Lok: Yeah. Some say yes; some say no. People make it so complex. Truly, it's not that complex. This is not motivational rah, rah, rah. It's just people. At the end of the day, it boils down to really they don't want it that bad. They say I want to be successful. No, you don't want it that bad. You spent four hours watching TV a day. You don't want it that bad.
- Jaime Masters: What are you willing to do?
- Dan Lok: It's just like what are you willing to sacrifice? Here's the price you've got to pay. Are you willing to pay that price? They say I want that; I wish that. They don't want it that bad. 90 percent or maybe 95 percent of the people don't want it that bad. That's the issue.
- Jaime Masters: Reflection, ugh. You're hurting us because we're going, oh, crap; you're right. Darn it.
- Dan Lok: You know it's not pleasant. I know it's not pleasant, but it's the truth. It's the truth.
- Jaime Masters: Do whatever it takes. All right. So where can we find out more about you? I know you have a YouTube channel. Everybody wants more of your insight. So where can we find –
- Dan Lok: Yeah. Nowadays, 99 percent of what I do is all for free. Right. So I have my YouTube channel. They can go to YouTube and type in Dan Lok. Go to my website, danlok.com. I have podcast called ShouldersofTitans.com. They can also listen to that for free. Nowadays, my mission now is to impact 1,000,000 entrepreneurs worldwide. That's my life's mission. So I'm over 300 and something videos on there. I produce videos every single week. I just give that away.
- Jaime Masters: Amazing. Thank you so much for coming on the show today, Dan. I really, really appreciate it.
-

---

Dan Lok: It was a lot of fun. From business, spiritually, it was awesome.

Jaime Masters: I know. Martial Arts. We talked about everything. We're going to have to do this again. Let me know if you're ever in Austin, for sure.

Dan Lok: You got it, of course. If you're ever in Vancouver, let me know, please.

**[End of Audio]**

**Duration: 50 minutes**