

Jaime Masters: Welcome to Eventual Millionaire. I am Jaime Masters, and you have no idea how excited I am to have Jeff Hoffman on the show. Now, Jeff has been a part of amazing companies like Priceline.com, uBid.com, most recently ColorJar.com, along with a huge bio of film producer and all this other stuff.

And what I found so amazing when I met him personally, a few months ago, is he spoke on stage, captivated the audience, and then went out in the audience and talked to absolutely everyone, which is kind of unheard of for speakers.

So, thank you so much for coming on. I know I'm talking to you like you're not here, but I really appreciate you coming on the show. Thanks so much for coming on today.

Jeff Hoffman: You bet. Thank you for having me.

Jaime Masters: It's rare, unfortunately, to see speakers actually sitting in the audience. And then also – you had a crowd around you, and you took the time to actually be with everyone, whereas all the other speakers were bouncing around, and flying on planes, and not going to anything. So, why do you do that?

Jeff Hoffman: It's two reasons. Thank you for even noticing that. One of them is because that's the commitment I made to giving back, by mentoring. So you can't just – when you're giving back, you don't just do it when it's easy and convenient. Right? You do what you have to do when the opportunity presents itself. But the other way – the other reason – honestly, is that that's how I learned, as well.

You don't learn something by standing on stage then immediately hopping in a limo to the airport and going home. You learn something by interacting with people and finding out – like the conversations you and I had there in Austin. Finding out what people are focused on, worried about, learning about. So, it helps me build my knowledge base and it helps me keep my commitment to trying to give back.

Jaime Masters: So, you don't feel like you know everything? Or, I mean, know – I'm saying this facetiously, right, but you've probably, I'm sure, done this over, and over, and over, and asked people questions, and mentored people. You don't feel like you sort of know already what's going on?

Jeff Hoffman: Well, no, because there's always something new. For example, not

that many years ago, we would have never predicted that we would use our phone for everything but phone calls. Right? We'd have never predicted the number of purchase transactions you make on a mobile device. GPS and geolocated things. Now, social media. Right? Now, add to that your whole millennial generation with another whole set of norms, requirements, operating modes, so there's always something to learn.

Jaime Masters: And we're a pain in the butt because technology continues to change, so there's only so much we can do. But there was a very big difference, even in just your energy, compared to some of the others. And what I got from it – maybe you can speak to this – is it's like, "Hustle, hustle, hustle, hustle, hustle, and everything matters. You have to view every second counts!"

And you were laid-back, and chill, and helping people. So, can you give me – I feel like there's a debate going on right now in the entrepreneurial space: Hustle versus letting things go and flow. So, can you tell me what your thoughts on that are?

Jeff Hoffman: Well, here's the problem. Sometimes – and I really say a lot of this – some of the misleading stuff, this is my editorial opinion, comes out of Silicon Valley. For example, Silicon Valley telling everybody, "Go get funding. Go get funding. Go get funding."

So, there's part of your hustle frenzy is all these people are nervous and stressed over going and getting funding, when in fact, funding should be the last thing you do, when you've done everything you possibly can to grow your business without somebody else's money.

So, part of that hustle – so, you're right. They're saying – they're whipping up a frenzy of investment, but that's because the investors are doing that. They don't make money unless they churn money. They have to use it. And so you're right. I'm actually telling people, alright, just calm down. You don't need to go pitch your money everywhere you are.

What you need to do is focus on what drives the needle in your business. Refine the focus, figure out what really counts, really just focus on the results. The money shows up when the results show up. So, there are a lot of things like that going on where people are getting – ironically, when the book *Lean Startup* came out, which I'm a fan of Eric and a fan of the book, but I can tell you my first thought was, "We're all lean anyway. We're all broke." Right?

All these entrepreneurs, all these startups; who's leaner than an unemployed entrepreneur with no money? By definition they are lean, but it whipped up another frenzy. Am I lean? Am I doing this – am I MVPing enough?

So, I agree with you. There's a lot of – people get into the hustle frenzy over things that the community tells them that are important, and they're hustling over so many of those things and not focusing on the small number of things that would actually grow their business.

Jaime Masters: So, in this seminar we were talking about a little bit beforehand, where you said, "Don't go after the money." That's sort of the whole point of Eventual Millionaire, right? It's like, "Okay. Life first, then money, and we wanna do something we enjoy, and we wanna have amazing results for our clients or customers." How can we mitigate that though with needing money and moving forward, and having metrics and that sort of thing?

Jeff Hoffman: Alright, so, here's the thing. It's the order of things. All those things count, including the money, but the issue is, I see all these people, entrepreneurs, that are focused on making money – here's a prime example:

Early on – again, driven by the investor community and sometimes Silicon Valley – but early on, you just launched a company and you're preparing a slide all about your exit strategy. And I sit there and think, "Seriously? What is your entrance strategy?" What are you exiting? People are exiting a PowerPoint?

They haven't built anything and they're focused on – it's like buying a lottery ticket, and in the car on the way home you're already looking at cars, and mansions, and private jets, and they haven't even had the lottery drawing. That's what happens.

People that are focused on the money, those are not the people that now, when I look back of having worked with many successful entrepreneurs – when I look back at the most successful ones, not one of them their story starts with, "I was just trying to get money." Their story always starts with a focus much more – a much stronger focus on some purpose, some passion, some mission, some problem they wanna solve.

So, here's I think the thing that I've learned over all these years, is

that – again, entrepreneurs focused on money, they’re the ones that quit first because money is hard in startups. Right? You’re broke all the time. The revenues never hit what your projections were. If all you focused on is money and you don’t see it, you’ll go home. And if you’re working on your exit strategy more than you are actually building the business, you have nothing to exit.

So, I will tell you something I wrote down one day, that I notice it’s the thing that when I speak people tend to Tweet the most, which is this. I wrote on the wall, I said, “Don’t chase money, chase excellence because money follows excellence.” In all of our businesses, when people would say to me, “Hey, what’s the exit strategy? Hey, how are we gonna get rich?” I would shrug. I don’t even care about that.

What I would tell them is, “We’re not going to anyway until we build an amazing product, so spend all your time focusing on excellence. Create amazing in the world and you will never have to worry about money.” My very first startup, when I was 20 something, when we created the check-in kiosks that are at airports, all the time I kept telling my team, “Heads down, let’s just build the coolest product ever. Don’t worry about anything else.”

And one day, literally, we’re sitting in the office and mergers and acquisitions guys in dark suits come in and say, “We wanna pay you millions of dollars for your company.” And I said, “Really? Why is that?” And they said, “Because your products are outstanding. You built excellent things.”

So, chase excellence. Worrying about money, the money always shows up where excellence is created, but people that are so stressed on money are distracted from building excellent products, and they never get there.

Jaime Masters: Okay, I adore this. And I wanna dive in a little bit more because specifically we talk about excellence, but you also need to make sure it fits with excellence with what the market needs, right?

Jeff Hoffman: Yes.

Jaime Masters: Because I’ve also people head down on product and then they’re like, “Why didn’t anyone want it? It’s excellent!” So, where does that come in?

Jeff Hoffman: Yeah, so, that comes in even earlier – in fact, let me broaden this

even a degree more. I'll just tell you a real quick story that really, really influenced me, and I think I told this story when you and I were together in Austin, but I was talking to somebody, a gentlemen in the retail business, who built a successful retail chain, and the chain he built was different than everybody else's at the time. And it was something that all the experts said would never work.

So, I remember asking this guy – I was trying to learn from him. I remember asking him, "How did you know what to do?" Right? When you're launching a new business and it's not like everybody else's. And his answer was, "I didn't." And I said, "Then who told you?" And he said, "A farmer in a John Deere hat."

And I remember saying, "What?" And he said, "Yeah. Let me tell you something." He said that – he showed me, he talked about his employees and his teammates, and they were well educated MBAs and supply chain logistics and stuff. He said, "The problem was my customer was a farmer in overalls, farmer hat, and work boots." And he said, "None of them work here. None of them live near us, work near us, eat near us, shop near us."

And I said, "What did you do?" And he said, "I started early on spending time out of my office." And I said, "Tell me about it." And he said, "I bought a John Deere hat and some work boots and jeans, and every other Friday, these people hang out in the diner across the railroad tracks and eat apple pie." He said, "Every other Friday, I would just leave my neighborhood, leave my office, and go hang out where the customers hang out, in the diner, dressed like them, eating apple pie, and just chatting with people."

Well, he said, "Those farmers, in all the time I spent out of the office and in the diner, is how I learned what to design." And of course, interesting part of the story is, you already know, is the guy I was spending the day with was Sam Walton. And the store was Walmart. And the conventional wisdom was you cannot build big box retail in small town farmer America, and yet, Sam Walton did it anyway, and it became the largest retail chain in the world.

So, my question was, "What was your secret?" And his secret was, which I practice to this day, was scheduled time out of your office, away from your team, and hang out wherever your customers hang out.

If you – last year, we were looking at a product for the child's

education market, and I actually spent a day with first graders, sitting in a parking lot, while the first graders were on recess, talking to first graders and just listening to the conversation and trying to figure out which things – when someone shows them online education tools, which ones they actually use and why.

You're not gonna learn what a first grader wants without asking one. So, I think that's the biggest part, is the more time you spend, scheduled time – by the way, people say to me, Jaime, they say, "Well, I talk to my customers all the time." And it's because they're on sales calls. When you're in sales mode, all the dynamics are different. When they call you, in customer service mode, all the dynamics are different.

The lesson here is just go hang out – I spoke to some insurance agents, recently, and I asked them – because I had seen a TV commercial where an insurance agent was talking about his customers who were having a family or a company picnic in a park.

So, I said to them, "How many of you have ever just taken off your insurance uniform, put on shorts and tennis shoes, and just go to a family cookout and play volleyball?" You're not selling, no discussion, you don't even tell them you work for an insurance company. Just go to a family or company picnic some time. And then see how much better you are at servicing those people.

So, I think that's a huge – it was for me – learning. Which was get out of the office, hang out as much as you can in the customer space, and you will – your time from idea to version one of a workable product is much, much shorter.

Jaime Masters:

So, I adore this. I tell clients to cold call, don't sell. Do whatever you can to get in front of people and yet there's so much resistance to this. I'm not sure why. Especially because they're like, "Well, it feels intangible. I don't really know what the results are gonna be. How do I know if it's the right thing to do? How do we get –"

There's just so many questions, especially being overwhelmed as an entrepreneur and taking time out of your busy schedule to actually pay attention to your costumers, which is hilarious, but there's all these things that come up and all this resistance. Why do you think that is?

Jeff Hoffman:

Actually, you know what? The one I encounter – I completely

agree with you. The one that I encounter that's the worst is this: What if they hate my idea? This is the idea that I told everybody at Thanksgiving was gonna be the greatest thing since sliced bread and I was gonna be rich and famous by two years from now.

And sometimes they're afraid because they have a plan all cemented in their head, and it's perfect and it's gonna work, and they're afraid someone might criticize it and tell them it's wrong, and then they have to be responsible for that input. Actually, one of the best things that you can get in life is a fast no. So, you don't, three years later, say, "Geez, I should have stopped doing this two years ago. It was never gonna work."

So, part of it is ego. It's the fear of what if I'm wrong, what if no one likes it, what if they're all suggesting something different. And what I'm telling you is the best entrepreneurs never care where the idea came from. You don't care about your idea; you just care about the best one.

If it's – again, if it's a 70-year-old farmer eating apple pie in a diner saying, "You know, if you did, I'd buy shop there." That might be a way better idea than the one you had. So, I think fear of the unknown, and fear that I might be wrong, and fear of criticism, all those are – a lot of that's ego based, and you gotta check your ego at the door. You can't bring it to work and be a good entrepreneur.

Jaime Masters:

Okay. Thank you so much for saying that. I think everyone needs to be hit over the head over, and over, and over, and over again. Because technically, this is sort of Business 101. We should sort of know some of these pieces, "technically", which we don't.

But how did you start moving down this path and start thinking as big as you have? Your companies have done billions of dollars, so did you start out that way in realizing if we're not going after the money, do we care about how big it can be? Do we visualize that success? What do we do on that –?

Jeff Hoffman:

Yeah. No, that's a great question, too. I'm gonna be honest. I think that's a DNA thing. You know I have my wall in my office where I write down the things that mean something to me and one of the things written up there is go big or go home. But that's – life is short. You never know when it's gonna end. My best friend in the world drowned in the Irish Sea at 36 years old. Never saw that coming. You just never know. And so, one of the

things I'm really careful about is never wasting time. So, for the most part, I've kind of always looked at things that way, the go big or go home. If it's not something that could really have impact and really scale – this is not for everybody, I'm just answering your question for me – then I'd rather go do something else.

So, I've always sort of thought that the goal in life was to leave as much impact on as many people as you can, so therefore, if you look at an idea and you say, "This will never get that big," then it's not for me. So, I do tend to pass on the things that don't meet the go big or go home criteria. Again, just because I think life is short, you might as well impact as many people as you can along the way.

Now, to be fair, that's not everybody's goal. So I'm telling you we did – for example, in the early Priceline days, we were having these discussions about the fact that every country on the planet has hotels and people that want to stay in them, so this is a pretty scalable business. And every hotel on the planet has some empty rooms they can't sell and has access to the internet where you could auction off those rooms.

So, the idea was, early on, we said this thing could be global. Now, everybody talks about – whatever – people trying to become a billionaire or build a billion dollar company or whatever it is. That wasn't really the focus, even though we really thought that company could become, possibly, a billion dollar company.

Today, Priceline wound up becoming worth \$70 billion. This little thing, this little group of people created, and it's because we went after a problem that really was global and scalable. So, for me, personally, I always say, "Is this something we could really scale big? If not, even though it might be a cool idea, let's pass and do something else." What I was saying though, to be fair, is some people only want a lifestyle business.

Some people say, "If I could start a company and I could take –" – I'll make up a number – "I could take home – my corporate job paid me \$70,000.00 a year. If I had my own company, I could take home \$400,000 a year, I'd be a really, really happy person, and if it just paid me that for the rest of my life." That's, as you know, is a lifestyle business. That's fine. So, it depends on what your goal is, but I have always taken the go big or go home approach.

Jaime Masters: Okay. I have a thousand questions coming your route. So, 1.)

When you're looking at creating something really, really big, which a lot of – people that listen to my show, they wanna be millionaires, right? So, at least it's something – we've got pretty goals in general. What happens when it feels like you're getting kicked in the nuts and it's go home time, and you're like, "Oh, do we keep going go big?" How can you pull yourself back up –?

Jeff Hoffman:

So, that's another great question. So here's what happens most of the time. It's the end of the year, we have the year-end meeting, you're the entrepreneur, I'm the investor, and somebody says, "How did the year go?" You say, "Great," while I say, "Horrible," in the same sentence. I've been in these meetings.

And I say, "Wait, wait guys. You were in the same company in the same year." And the investor says, "I expected a lot more sales this year," and the entrepreneur says, "I can't believe how much we got done given all the problems we had this year." And so I turn to both of them and say, "What were you expecting?"

So, a lot of times when people come to me and they say, "I don't know if I should keep pushing and try to make this bigger. Can it – I don't know." Here's the reason why: It's because they didn't define success and failure at the start. So, let me tell you a technique – I did not know this at the beginning either, I learned this, but this is what we would do now.

At the beginning of every year, we get all the stakeholders, anybody who cares about the success, whether it be an investor, employee, a major partner, or maybe even a significant other. Sometimes people's spouses and significant others say, "Look, he quit his job for this, so I just wanna make sure we're – our family is suffering right now. Convince me it's worth it." Anybody that cares.

And what we do is we write down – here at the end of the year, this is what success looks like, as quantifiable as possible. So you make a list of all the things and you say, "If, at the end of the year, if these are the results, we'll call that a success and we keep pushing." Or, you say, "If at the end of the year, the results look like this, we're a green now, but this is failure." So, I have – literally, have my employees sign that sheet. And I remember one time someone said, "What are we doing?" And I said, "You are pre-firing yourself."

Jaime Masters:

That is awesome.

Jeff Hoffman: I said, "If sheet number two is what our results look like at the end of the year, I should not have to fire anybody." When I walk down the hall, you should just be heading to your cars because we admit that we agree that we failed.

So, define, quantifiable, on January 1, what success and failure would look like on December 31, and then when you get there, you already know, way before that, "Guys, it's just not working. We should go do something else with our lives. This one wasn't the idea we thought it was." Or, "Wow, it's really cooking on all cylinders. Let's go ahead and raise another round and take this thing to Europe."

Jaime Masters: Okay, so that raises the question that I was gonna go from before, the go big, go home strategy on time. So, there's lifestyle business, one, there's going huge – do you think it takes a lot more time, and effort, and brain-space to really go big, comparatively to just sort of – doing enough. Small business is hard either way, in the first few years, right?

Jeff Hoffman: Well, I definitely – it does, but it's that time is less of the problem; it takes more time for sure, than the complexity. And the worry that you're now – when you're running your own little lifestyle business, you have control of your world, much more control, that when you say, "Let's go take this thing –."

I remember my first product, back to the airline ticket kiosks. When we said, "Let's go put some in Europe." And then I said, "And what happens when one breaks?" And guy's like, "I guess I'll fly to Europe." And I was like, "Yeah, that is not a good solution." How are we gonna service one if someone in Europe buys it? How are we gonna ship it to them? How are we gonna restock it with paper?

When you start growing – that's just one example – any kind of business. Same thing in Priceline, right? Because now all of a sudden you're saying it's always somebody's morning, so now we're gonna have to have a 24/7 call center. Which we didn't before, if you're just doing business during business hours. And now you got language and cultural issues, and different taxes and different currency, and currency exchange issues suddenly. What currency should we accept payment in?

So, it's when you start to grow a business, the complexity, more-so

than the time, you now have a million things to worry about that you didn't have to before. And by the way, you're worrying about them on a big giant public stage, where if you trip and fall the whole audience starts laughing or suing you. Whereas, if it was your own little business, no one cares but you.

Jaime Masters: Yes. How can you deal with that in your head? Because I've seen people step out and then go, "Okay!" Because the stage is really big and there's a lot of people and then they back up. How can anybody make ourselves get out of that comfort zone and keep moving forward no matter what happens?

Jeff Hoffman: So, the answer, which is hard for a lot of – again, just telling you the real result – hard for a lot of entrepreneurs, the answer is share. You have to be able to let go and empower people. That doesn't mean they need to be cofounders, necessarily, but when you bring on key members of a management team, let them do their part.

You can't tell someone, "Your job is to go grow the west coast of the U.S.," and then every time that person gets on a plane, you say, "You know what, I better go with you and see what you're saying." You have to be willing to empower people and let go. If you can't get out of your own way – I meet these founders and CEOs that at the start, they were the one and only employees, so they did every job. But now they have a team and they just can't let go.

Say, "You know what, just send me the proposal and I'll finish it." Like, "No, you hired me. Let me do this proposal." And you're so worried that they might screw it up that you take it out of their hands. So, being willing to let go, trust other people, and empower them is the way you do that because now, instead of one of you absorbing all that stress and dealing with all those issues, you've just each taken one-fifth of the problems.

Jaime Masters: So, that is hard for us species as entrepreneurs that have control issues, right? Most people have control issues that are running their own business, that I have seemed to find. What other characteristics do you think are successful entrepreneurs embodying? What do you think there are the things we should actually be paying attention to that might be intangible, like this one, but really, really important?

Jeff Hoffman: Sure. And I think you're right, most of them do have that issue, but

what I'm gonna tell you – they have that issue and people say to me all the time, “I can't figure out why my business won't scale.” Right? And I'm like, “Seriously? You're the bottleneck. You're the problem.” They don't wanna let control go at all because no one does it and no one cares as much as me, then they say, “I just don't seem to be growing.”

Those things are very, very related, so I think the characteristics are not resumes and skills, they're a cultural fit. Okay? And I think that's more important. Instead of looking at a resume, look at a person, a character, the integrity, and what you wanna say is, “If I was not here, would Jaime make the same decision I would make? Do we have the same values? Do we believe in the same things? Do we care about the same things?”

So that – would you make – in a situation where I wasn't there to represent my company, even though I'm the CEO or founder, do I just blindly trust that she gets it? She gets me. We're the same kind of people. We have the same values. I would send you to a meeting with a huge customer that I couldn't even go to and trust you would do the right thing. So, focus on values and culture, not on resumes and skills.

Jaime Masters: How can you determine what your values are?

Jeff Hoffman: You have to start – in fact, check this out. If you don't know, your employees sure as hell don't.

Jaime Masters: Heck yeah.

Jeff Hoffman: Your team doesn't. So, it's important to spend some time thinking about your values, your legacy. Right? Your culture. All those things, but the important thing is to write them down and make them visible. Put them on the walls so when people join your company, they say, “Wow. This is what she cares about. This is why she started this company. This is what she's hoping to do with her success.”

Your values need to be physically written out, and people that look at it and shrug, and you go, “Wait. You don't agree with that?” Then get rid of them immediately. Someone that's thinking to themselves, “That's kind of stupid. Jaime's a dreamer. I don't even care.” You don't want people like that.

But none of that happens until you make your values known. So

you gotta start sharing your dreams, and your vision, and why did you create this company, and what are you hoping to do one day. And by writing it and sharing it – and people that are into it, will jump on board with you and people that are not, you don't want them on your ship anyway.

Jaime Masters: I adore that. I learned this the hard way. Right? So, I made values, but I forgot one specific one, and I hired someone that was a bit of an Eeyore. And so positivity is on my values list because it's an ever evolving process. Right? Is something that you learned when you went?

Jeff Hoffman: It is. You learn as you go. And by the way, it changes in different times based on what's going on in the world and your world. It's not one list of things that you have to keep forever, but at any given company in any given time, you can't violate it. Like you said, if positivity is one of your cultural characteristics and you got a negative person there, the second you don't do anything about it, you've lost all your credibility.

Employees say, "That's a load of crap. She puts positivity on the wall but she lets Eeyore, here, come into work everyday, bring everybody down, and she does nothing about it." You have to have the guts. I always tell people that two of the most important characteristics of leadership are swift and decisive. Move swiftly and be decisive and don't look back. Sorry.

Jaime Masters: Yes! Okay, tell me more though because I – so, quick decision making is huge and it comes up over, and over, and over again in these interviews, but then people go, "I don't know how to do that." We make decisions all day long. Small ones can be quick, bigger – how do we get better at that?

Jeff Hoffman: So, trusting your instincts. Jaime, a few times when you're scared to death, trust your gut, and then when you find out I was right, it's really funny. Because, you know, I'm a board member of the Unreasonable Institute, the Unreasonable Group, a non-profit, and the founder of it, Daniel Epstein, and I were talking about this one day. Because Daniel said something that really, really made me think.

He said, "It's funny that they –." He said, "It's misnamed. Your gut instinct." Because gut sounds like, "Well, you just made a random decision." A gut instinct sounds like you just made a decision on a fly. And then Daniel said to me, he said, "You know

what, your gut is the sum total of every decision you've ever made before. Your gut instinct is the collection of every good decision you've made and every bad decision."

And he said, "So we should rename it to your faster intelligence." Your gut instinct tells you what to do right now, and people say always trust that first instinct. It's true. It's not an accident. Your gut instinct is it's just fast intelligence because your gut knows every mistake you've ever made and everything you ever got right, and when your gut says, "Turn left," you probably should just turn left.

So, the answer is, when you don't know, what people do is they say, "Well, maybe I can get an aerial map of what's to the left, and I'll compare it with the digital map of the right, and then I'll go online and look at U.S. geological surveys and see if left is better than right." Just freaking turn left.

And when you try that a few times, by trusting your gut, and it turns out to be right, your confidence builds, but it doesn't build until you're bold enough to jump, even when you're not sure a few times.

Jaime Masters: So, and that's the thing that I find so interesting because I'm working on this also. Right? They say go with your gut. I'm like, "Okay, I don't know what my gut wants." Even though sometimes I do, I'm just not willing to – you know what I mean?

You just push everything behind, and then even after the fact, I'm a researcher, so then I go, "Well, let me research blah, blah, blah." And so, I give myself a deadline to try and do it faster, but it's still hard. So give me some tips on –

Jeff Hoffman: That's good. Well, let me say, you talk about research. I am a huge believer in data.

Jaime Masters: Okay, good. Me too.

Jeff Hoffman: So, it is really important, afterwards – we always call them postmortems. We use that term. Right? To do postmortems. Later, when you have five minutes to catch your breath, say, "Okay, guys. Here's where we were standing and we turned left. How did that go?" And collect the data. And say, "Left worked, and it was probably for this reason." And then say, "I'm gonna start measuring that reason, that thing,

and next time I see it, I'll already know that left is the right decision." So I'm a huge believer in collecting data, but you can't study stuff that you didn't collect any data for. So, being very thoughtful about that research you just talked about.

Some research up front – and I liked that – your idea's really good, I hope your listeners take that to heart, that if you want – if you feel better doing some research, do it, but set a timer. When the timer goes off, you're done, make your decision, instead of the analysis paralysis. But afterwards, make sure you make a list of things you need to go check and see how they worked out and collect that data.

Build mechanisms for data collection of the things you really need to study, so that you can get smarter about why – I've had things that I've done in my life that work, and looking back people said, "Wow, you were so smart," and I was like, "No, actually I had no idea this was gonna work. You only think I'm smart because it happened to work."

And I would accept that it was smart if I could have told you why it was going to work, and then it worked, but I just tried what felt right, and it just coincidentally worked. Right? So, later, I started saying, "Man, I wish had collected data so I could actually explain why stuff worked."

Jaime Masters: You just look smart. Everything worked perfect.

Jeff Hoffman: Yeah. I've – more than once in my life, people have looked at something I did, much later, and said, "Wow, that was really smart," and I was thinking, "If you knew what I was thinking the day I did that, that wasn't smart at all. It was luck and a little bit of instinct." But, whatever. Data solves that.

Jaime Masters: Okay. So, one of the biggest things is – and I'm so happy you brought this up because we as entrepreneurs, nobody sees sort of the background, right? So, most people don't understand when we decide to do a test it's sort of like, "Okay, I think we're gonna take this ship this way." Right?

The hard thing is that you have to get your whole crew and your team on board of the ship, and you don't know if you're going the right way or not. And so if it doesn't necessarily work out and you have to change directions, and change directions again, you have to sort of lead your team down this testing rabbit hole, and how do

we know – how do we get them motivated to continue testing and getting the data when it’s not really working?

Jeff Hoffman:

Another very good question. And part of that, again, just my answer, but consensus management, I’ll pull everyone in the room and I’ll say, “I’m feeling left, but I wanna hear what you guys say before I make a decision.”

And I always collect data from everyone. I tell them, “I still have to make a decision, and if you’re the person that said right and I go left, what I need you to do is get over it in 30 seconds because you need to be rowing to the left with everybody else.” You cannot say, “Dang it, I wanted to go right and he didn’t choose that so now I’m gonna mope.”

So, that’s part of our culture. Our culture is express your opinion, but once we make a decision, you gotta jump back on board. And so, people that I see, “You seem to be taking it easy today.” “Well, I didn’t wanna go left.” Those people don’t work for me. You have to be willing.

Which, by the way, includes me. If I come into the team meeting and I say, “Guys, I’m thinking of going left,” and my entire team says, “Jeff, trust us. We’ve been looking into this, you should go right.” Then, I need to be willing to say, “You know what, if everybody here believes that, let’s give it a shot.”

So, it’s collecting data and making everybody feel part of the process. If you just arbitrarily say, “We’re going left,” and they see giant rocks and rain clouds ahead, and you don’t say a word, and they’re thinking, “Why the hell is he going that way?” You’re not building consensus. What I always do is sit down and say, “Before I make a decision, tell me what you guys think.” Then, when I make a decision, I tell them why.

It’s – I always err on the side of over communicating. By the way, I see some leaders, that if an engineer walked up and said, “I don’t understand the new marketing campaign,” they would say, “Well, you don’t have to. You’re engineering. Let marketing worry about that.” That is the worst thing you could do people.

I always compare it to – certainly Americans know this – is when you’re finally 16, and it’s Thanksgiving, and you go to the adult table, and the parents say, “No, no, no. You’re still sitting at the kids’ table.” You’re 16 and you’re sitting at the kids table with 3-

year-olds that are throwing gravy all over, and you're like, "I wanna sit at the adults' table." It's demeaning when you're still stuck at the kids' table.

To tell an employee, "Don't worry about that. I'll handle that. You just go do engineering," makes them feel that way. So, erring on the side of over communicating, I would always open my staff meeting to everyone and say, "Ask me anything." And they would say, "Jeff, we don't understand why you're doing this."

And it really isn't the engineer's thing, but I always answer every question. So, my employees would always say, "I understand why we're doing what we're doing, even if it winds up being wrong, at least I know why you went that way." Right? So, I think you've gotta be inclusive, ask peoples' opinion, and then communicate openly.

Jaime Masters: You've had so much experience and so many different verticals. Like, literally, film producers, and music, and all sorts of stuff. What do you think is one or two key points that have helped you move forward and be as successful as you are?

Jeff Hoffman: Part of it is methodology and discipline. And what I mean by that – it's funny because sometimes I see people that see the word entrepreneur and they're like, "Woohoo, that means you get to work at home on the couch in your underwear, and get up at 10:00 a.m. and do whatever you want."

People think entrepreneurship is the Wild West. Everyone else has to put on nice clothes and drive to work at 9:00 a.m. You can sleep in, and work on the couch on the internet in your underwear. The truth is, it's exactly the opposite. When you have no boss, no assignment, and no one grading you, it's ten times harder to get stuff done.

So, I think the discipline of planning, being really focused, really disciplined, laying out plans. Everything we did, every business, we applied my second thing, besides discipline, was methodology. We applied a methodology. Somebody would say to me, "Alright, so then we're gonna –. Let's take music. And so we'll create the songs."

And that wasn't good enough. I'd say, "Okay, what studio? What day are we going to the studio? What studio? How long do we need this studio? What does it cost? Do we need musicians? What

do they cost? Where do we get them? Whose gonna record the song? How do we engineer the song? What do engineers cost? What is a master and do we have to have master for this?" They'd go, "Oh my god, dude." Right?

And I'd be thinking this is why so many people in the entertainment business – everybody in the world's got the greatest script or the greatest song, just listen to my music, and none of them ever make it. By the way – I use this example all the time – I show this slide where it's three girls singing in the shower before they go to their waitress job, and then a picture of Britney Spears on stage in Las Vegas. And I say, "Rank these people in order of talent," and Britney's fourth.

I say, "All three of these girls singing in the shower on their way to the waitress job are way more talented than Britney Spears, so why are they still working at Applebees and she's on tour?" And the answer is methodology and discipline. She was part of a team – I was there. We did a Britney Spears tour. She was part of a team of people that said, "Here's how you launch a business."

And it doesn't matter if it's music, film, or internet, or if you're selling lunch boxes. Whatever you're selling, you have a product, someone has to make the product, it has to have a certain quality level. Somebody has to finance the production of the product; someone has to figure out who the audience is. Whose gonna buy this product? Someone else has to figure out how to market it, how to get it to them, and do distribution, delivery. All that stuff.

So, applying the same entrepreneurial methodology to filmmaking and music is why we happened to be successful in those fields, even though everyone said, "Jeff, you don't anything about making a movie or producing a concert." I said, "No, but I know the discipline and methodology of organizing, focusing, and planning a business." And we applied those same things to our other endeavors and it turns out those are good things to do.

Jaime Masters: Are you a planner innately? It sounds like that's sort of your thing.

Jeff Hoffman: Yeah. I am. I think a lot in sports analogies because sports is a little microcosm of life. I would be that guy, that quarterback, in the huddle. I'm not playing every position, and I might not even be running the ball, I might be handing it to someone, but I'm the one that lines everyone up and says, "Does everybody know what they need to do on this play?" And I'm the one thinking it through.

“Wait a minute. None of you guys are blocking the linebacker? That’s bad. That guy’s gonna ruin everything. Somebody has to block the linebacker.” And player’s saying, “We didn’t think about it. We’ll figure it out.” So, I am innately kind of that quarterback role of saying, “Have we thought through everything that’s about to happen and is somebody in place for every eventuality?”

I would ask my guys, they would say, “We’re pushing in software. We’re pushing version three out today.” And I would say, “What if it doesn’t work?” “Well, we’ve tested the crap out of it.” “Okay, fine, but what if it doesn’t work?” “Well, it has to work. We’ve already run it.” And I said, “Guys. Just humor me. What if you release version three and for some strange – aliens attack the earth right at that moment, it doesn’t work. Then what are you going to do?”

And it was silence. And I said, “Why don’t we have a plan?” And they said, “Jeff, it’s gonna work.” And I said, “Just tell me what you – humor me.” Well, sure enough, somebody changed the setting on a production server in the middle of the night and when we released version three all hell broke loose. But we had a written plan, a rollback plan, which no one wanted to write and they all rolled their eyes at me.

We had a rollback plan, and they call me in the middle of the night and said, “Something changed somehow in the middle of the night on the server. There’s no way this could happen but it did.” And I said, “What are you gonna do?” And they said, “Well, the plan you made us write, we just rolled it back. Everything’s fine.” And I just laughed because no one wanted to do that.

Those kinds of methodologies, and planning, and thinking everything through – by the way, for me, that’s the fun of business. Business is a giant chess game. Right? If I move my rook here, is that guy’s bishop gonna get me? I like the chess game of business. But, yes, I am a – when it’s go time – I’m the one trying to think through every bit of the plan and make sure we have it.

Jaime Masters: So, I love the strategy of making it into chess because – do you know any other methodology books, or resources, or something to get better, other than being innately good at it?

Jeff Hoffman: You know, I’m not the one to ask because I tend to read fiction to

give my brain a break, but I'm sure there are good books. I hope some of your listeners will reply with some good books, but I have to tell you where I got the concept very quick.

I had this friend, her name's Jeanette Lee, she was the woman's – the No. 1 pool player in the world, and she – you might have heard of her. They called her the Black Widow. And she would dress like that because that was her thing, and she'd be on ESPN, and she was the first female No. 1 in the world pool player. So, this young 20-something-year-old Asian girl named Jeanette, became the world's No. 1 pool player with this cool nickname, the Black Widow.

So, I went to a big charity tournament she was doing, doing this on TV to raise money. And her next shot, the ball is right in front of the hole and the cue ball is right in front of that, and she walks up, I say, "She'll just walk up and knock that one in, one second."

But she walks up and she stops, and she stares, and she stares, and she stares, and I leaned over and said, "Jeanette, this is the easiest shot in the world. What are you doing?" She said, "Jeff, I'm projecting six shots ahead." And I never thought of that.

She said, "I'm projecting. If I hit the easy shot, I'm not even worried about that. If I hit the easy shot, where does the cue ball wind up? If it winds up to the right, then I gotta take this shot. If I take that shot, the next shot would be this one." She said, "I'm doing six shots ahead of myself before I hit the next shot." And I never thought of that. I could never get that analogy out of my mind.

So, that – I hope someone's written that. I learned that from a pool player, but I always say, "Guys, okay, well, let's project six shots ahead." Instead of just taking the easy shot and then saying, "Now what?" So, that type of business thinking, I think, is what really helps people be able to handle any eventuality because nothing ever goes right.

Jaime Masters: No kidding, right? So, the hard thing is though, that's exponential. So it's not just six shots, it's six shots that could be good, bad, or go all over the place.

Jeff Hoffman: That's right. You don't know until you take them, but I like the concept of thinking through all the eventualities, so that when they happen you've already thought that one through.

Jaime Masters: Okay. So, what about thinking about the positive instead of the negative? So, when we hear entrepreneurs, they're like, "Move forward. Okay. Think this is gonna work." Because if we just start going well, that's not gonna work, that's not gonna work, that's not gonna work, it paralyzes and we don't take action. So, how can we mitigate both of those things?

Jeff Hoffman: Well, the thing is sometimes things don't work. I think the answer to that is being willing to accept failure. None of the – I'm not sure of any of these things but I gotta try something. Right? Being paralyzed is the worst thing. Entrepreneurs – you ever seen that poster that said being an entrepreneur is like jumping off a cliff and trying to build an airplane on the way down? Right?

You still gotta jump. No idea if I have the right tools, the right parts, if this airplane's ever gonna fly, you still gotta jump. People that never jump because they don't know are not entrepreneurs. That's the DNA thing. So, you jump anyway, and you learn every single time you jump. You say, "Wow, next time I jump, I will never do that again, or I'll take two wrenches." Or whatever it is.

So, you gotta be willing to jump somewhere, accept the fact that none of your ideas might work, and you might crash into the ground, and then dust yourself off, and you're smarter the next time.

Jaime Masters: Assuming we back up though. So, give us some – some words of inspiration to help somebody that's down right now get back up and tell everybody that it's worth it.

Jeff Hoffman: But you know – I think the answer to that is every single success story includes multiple failures. It's just part of it. You just have to accept that – I was doing this event one night with a bunch of youth, but the guy that I was doing it with was Tony Hawk, the skateboarder. And Tony is the only human being ever to nail a 720, a double 360, in competition and stick it.

And I turned to him, while we were talking with all these people, and I said, "So, I'm assuming the first time you tried a 720, you did the double 360 and just landed." He said, "What? Are you kidding?" I said, "Wait, you didn't just stick it?" He said, "Jeff, I went to the hospital like six times with broken bones, blood, stitches."

I said, "Wait, I don't understand." I said, "You had to keep trying

and you failed?” He said, “I almost killed myself. My mom kept taking me to the hospital.” And I said, “That’s amazing. Why did you keep doing it?” And he said, “Because the only way I’m ever gonna get it is to keep doing it until I figure it out.”

And I said, “Even though you broke bones and got stitches along the way?” He said, “If I didn’t get up and try it again, I would have never been the first human being ever to perform it.” I did that in front of an audience because it’s no different for us.

Every great success took a series of steps, stumbles, falls, and broken bones before they got smart enough to nail their own 720, whatever they were trying to do. That’s just part of it. If you’re not willing to fall down and get stitches every once in a while, you’ll never be Tony Hawk.

You will never achieve greatness if you say, “That hurt. I’m not getting on that skateboard ever again.” And so that happens in every – I think that happens in every facet of life, is the most successful people are the ones that got up when everyone else said, “I’m just gonna go home.” Keep getting up.

Jaime Masters: See, it seems so much easier to conceptualize the pain of physical pain because we’re like, “Of course. Yeah. Geez. Of course.” Right? But then as soon as we get into the mental pain of entrepreneurship, it sort of starts, or “feel”, so much worse than breaking a bone, which I know how it feels.

Jeff Hoffman: I think – you gotta be tough enough.

Jaime Masters: How do we build that –?

Jeff Hoffman: If you’re not, you shouldn’t be an entrepreneur.

Jaime Masters: How do we build that toughness?

Jeff Hoffman: Oh, I think that’s scar tissue. You have to jump once. And you have to fall. You gotta close your eyes and just jump, and when you come crashing down, you know what happens? You get up, and it hurts – I’m talking about the emotional hurt – and then the sun rises the next day, and everyone else is going back to work, and you think, “Hey, wait a minute. The world, in fact, did not come crashing to the end.”

You dust yourself off and you go back and try another one. It’s not

until you go through pain and find out that it was in fact not as bad as you thought it was and you got over it, that you'll know that it's possible to get over it.

Jaime Masters: You don't know where that line is until you cross it, for sure. Okay. I know we –

Jeff Hoffman: Jump.

Jaime Masters: I know we have to start wrapping up. I really appreciate you coming on and dealing especially with all the craziness of scheduling, but what's one action listeners can take this week to help move them forward towards their goal of a million?

Jeff Hoffman: I would give this one. There's multiple, but I'll give this one, which is prioritize. Everything you do everyday, if it's not – so let's use – let's stick this one. My goal is making – your goal is making your first million. Everything you do everyday, you look at it and say, "How is the thing I'm about to do, right this second, car keys in hand, getting me any closer to my million?" If that's what your goal is.

And if it's not, put your keys down, and go find something to do that is. It's efficiency of motion that the most successful people in the world have in common. Everything they do. So, people say to me sometimes, "Geez, you've done so many things."

Somebody said to me, "I thought you were gonna be like 80 years old because –" I said, "Why? I look that bad?" And she said, "No, because you've done so many things." And I said, "You know why? Because I didn't waste my time on any of the things that didn't get me any more productive."

When we were building – I'm taking Priceline, in case – a company that – it's worth \$70 billion today. Every single day, we would say, "Is the thing I'm working on right now getting us any closer to what we need to do build this multi billion dollar company?" If it's not, put it down, and go do something else.

I think that's my biggest piece of advice for today, is continue to ask yourself, everything you do every day, if it's really – if you can't immediately explain how it's getting you closer to your goal, stop doing it.

Jaime Masters: Okay. I have a follow-up question. I know I just said that was my

last question, but what's the difference between efficiency of motion and hustle? And how do we tactically prioritize that?

Jeff Hoffman: Oh, no, that's a perfect example. Because hustle is just motion. I see people hustling all over, doing stuff that is never gonna make them – we're gonna use your example – never gonna make them rich. They'll never be millionaire.

And if I was digging holes in the front yard, then filling them, and digging another one, then filling it with that dirt, that's hustle. People say, "Man, that guy's a hustler. He's out there digging every day." I am never gonna make a dime from that. So –

Jaime Masters: But if you think it's the right thing – because that's the thing that's tough. We're like, "Go! Move forward fast." But, "Oh, crap."

Jeff Hoffman: But it doesn't – it doesn't matter what you think. That's what we established. That's why we gave the Sam Walton example, which is never be blinded by your own brilliance. What you think doesn't matter. Go ask farmers, if that's who your product is for.

In the Priceline days, we went to discount stores and we talked to shoppers, and we said, "Okay, it doesn't matter what I think. What would you do? How much would you pay? When would you go? Do you care if there's frequent flyer miles?" The answer is the market has to tell you that. It doesn't matter what you think.

If, in fact, no one is walking up and paying you, then you were wrong. The market – markets make themselves. So, when you're out doing that thing, if you are not actually getting any richer and closer to your million, then you got your answer. If you're doing it and people walk up and say, "What are you doing?" and you say, "This." And they say, "Well, I'd like some of that. How much?" And every person that passes leaves you money, then keep going.

The truth – the market – markets always make themselves. They'll always tell you the truth, but they won't if you're listening to your own idea. "I'm sure this is gonna work." No one cares what you think. The only thing that matters is somebody with money in their wallet, what are they thinking? Will they take money – can you get them to part from that money to pay for what you're doing? If you can, keep going. If not, go find something else to do.

Jaime Masters: I love how you brought it back around. Thank you so much, Jeff. I really, really appreciate it. Where can we find out more about what you're doing, especially in ColorJar and everything you're up to so

people can follow your words of wisdom? Especially on Twitter.

Jeff Hoffman: Twitter and LinkedIn are where I spend most of my social media time, posting what I'm doing. I have a – there is a JeffHoffman.com site from my speaking stuff, and of course, we have a site for ColorJar itself, but for me, personally, LinkedIn's probably my No. 1 tool for connecting for business.

Jaime Masters: And are you just Jeff Hoffman on it? Or are you – I think **[inaudible] [00:49:14]**, right?

Jeff Hoffman: Yeah. It's easy though because my name's common, there's a lot of Jeff Hoffmans. If you type Jeff Hoffman, Priceline or Jeff Hoffman, ColorJar, it'll take you to the right LinkedIn profile.

Jaime Masters: Thank you so much for coming on the show today, and scheduling, and everything. You have no idea. I adore this, I adore you. If you need anything please let me know and I hope you have a fantastic day.

Jeff Hoffman: Thank you very much.

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Duration: 50 minutes