
Jaime Tardy: Welcome to Eventual Millionaire. I'm Jaime Tardy, and today on the show we have Joel Gandara. He runs underwearstation.com, which I think is one of the coolest websites ever. Plus he has an insane story of how he started. Thanks so much for coming on the show today.

Joel Gandara: My pleasure, Jaime.

Jaime Tardy: Okay, so I was reading your bio, and you have to share this story because I think it is ridiculously awesome. So how did you get into underwear as a business?

Joel Gandara: Yeah. I never planned that because I'm not an enthusiast. I don't love underwear other than I wear it. But when I was 19 or 20, I was working fulltime. I was going to college kind of on the side in the evening. I was always looking for opportunities, knowing that one day maybe I'll have a business, and just looking for stuff. What can I do? And I went to a garage sale, and someone was selling brand new underwear in the package, and it was really weird because you can show up to a nice neighborhood, and I saw tablecloths with the brand's name on it, flags waving in the wind. It looked like Macy's showroom.

And it was someone's house, the front of someone's house. And so I talked to the guy, and he says, "Look, I'm a sales rep. I'm independent. I buy these." And then he showed me a list of receipts, and he bought them for pennies. He showed them to buyers, Macy's, JC Penny, whoever, and then whatever was left over with; he'd give some to the buyers, give some to friends and family, and then be stuck with a bunch. Because he used them for displays and stuff. So he would sell them, as I'm sure a lot of reps probably sell their samples, especially if they paid for them. That's probably somewhat okay.

So he wanted \$3 apiece, and I said, "Look, I'll be honest with you. I'd like to get them really cheap so I can go to the flea market and sell them for maybe \$3 apiece myself." So we worked it out. He charged me \$1 for each one. I spent about \$500. I took it to the flea market, and I had enough to go for a few weekends. And in the end, I ended up making about \$3,000. And at the time, I was making \$8 an hour working fulltime. This was like mid-'90s, later '90s. And going to school – you know, working really hard and seeing that in just a couple of weekends, a couple of hours each day, I made \$3,000 in total.

I said, "Wow, there might be something here." So obviously we've grown it a lot more than that. I don't go to flea markets anymore, but that's how it started.

Jaime Tardy: Okay, that's insane, No. 1. And people do that quite often, right? Go to garage sales, resell it, but then how did you know to go, "I'm going to make this into something?" Especially because you didn't really have a rep that you could sell – you know what I mean? How do you – you can't replicate it.

Joel Gandara: Yeah. The only thing that I could have replicated is the fact that every six months collections would run out, and there would be new ones. So the rep would call me and say, "Hey, I've got some more. Do you want to buy them?" But that only goes so far. And I kept doing flea markets. And then in '98 or so, '99, e-Bay started getting popular, and I started a little e-Bay store. And all of a sudden, something happened, that people started paying a lot more because you start reaching the world. You're not reaching your local market. And then I started getting full price for these products.

I was getting them for \$1 and selling them for \$15, and that was amazing. I mean I kind of knew at the time, this isn't going to last forever, but this is pretty cool to make, at 20 years old, 21, whatever my age was at the time – to be making a decent amount of money on the side. But unfortunately I was – this is one mistake I made that I hope people listening will learn from, is that I downplayed it. I always thought, how far can this go? How multipliable is this? How much can I grow it? So I never did. I say never – I eventually did, but it took forever.

I kept saying, "No, I've got to keep my fulltime job," which there's nothing wrong with. Because I had benefits, medical benefits, vacation days that I banked. If I switched jobs, I could cash out a couple thousand bucks. You know, there was pretty cool things like that, a stable income. But it did take me quite a while. It was a journey to get it from that to saying, "This might work. This might be a business. This might be something that I can actually do." And that's a whole –

Jaime Tardy: **[Inaudible] [00:09:25]** was that. Yeah, because people need to hear that, I really think. Especially because leaving a stable job is tough. So what did you do? And how long did it take you to transition?

Joel Gandara:

Yeah, so I kept doing that, selling at a flea market, doing – as soon as I discovered e-Bay, I didn't go any more to flea markets, I started doing e-Bay. And I'd say that, just to show you how simple, that if anybody can do anything – if I can do this, anybody can do anything, we – today, this year, we sell a few million dollars of products, right? So just to jump to that, just to give the emphasis right up front, that from nothing – from, I don't know, from 10, 15, 20,000 a year that maybe I was doing, it took me, I'd say, a good 15 years of keeping at that small level, to one day waking up and realizing, wait a minute. I might have something here.

And the process that that happened was slow. If I had to do it again, now I know how to do it immediately. I can make this happen a lot quicker now. But what happened is I would spend a lot of time on Yahoo or Google or whatever it was at the time, and I'd search for other brands, and looking for distributor, you know, searching things that I could find a brand to give me something. I finally did find somebody. There was a brand out of Mexico, and they didn't have much sales in the U.S. And I saw that it looked sellable, and so I contacted them, and fortunately, they said, "You know, you're kind of the solution we've been looking for.

We've wanted to sell in the U.S. for years, and hoping someone would contact us. We didn't really know where to start. And I go, "Wow, great. First companies I've ever called for something like this, and they said, yeah." But you know what? If there would have been 20 companies, you call the 20 companies. Whatever it is, you call them. But I called them and they sold to me and gave me a really good distributor pricing. I'm paying in U.S. dollars up front, so they gave me a good deal. I started selling those on e-Bay, and that went very well.

And about ten days later or so, I called them back and said, "You know what? I bought \$2,000 from you guys. I'm done. I sold it all. I want to order again." And they said, "Why don't we do something? Why don't you start doing trade shows? Maybe we'll help you. We'll give you samples to go to the trade shows." So I tried it. I didn't know what I was doing. I went to my first trade show in Vegas. At the moment it seemed like the biggest investment in my life. I spent \$5,000 for a 10 by 10 space, raw, maybe a table and a chair. We set up a display and got orders and started selling to stores.

And that went well. And we did that every six months, and then we started expanding that a little bit more. What really made one big change in my life, is really my business has gone like this, and then like this. It's not a beautiful roadmap. It's ugly. But one thing that happened is, after four or five years of growing with that company from Mexico, what I thought at the moment was the worst thing that had ever happened to me, ever, they took a territory from me. And just overnight would have – because they saw the opportunity to handle it themselves.

And they have all the right. They own the brand. They can do whatever they want. And we didn't have a contract either way. But in that moment, when you're depending on this, and at the time it was making me maybe \$200,000 a year, and I was just getting going, and finally I could say I had an actual business. I had quit my real job. I had done this now, a wife, kids, and to have that happen in the moment – I remember laying in bed – I'm embarrassed to say it, but maybe for five hours during the day, unable to move. That's never happened to me. I'm very Type A.

I can move, I can do stuff. I was just in this shock. And a friend of mine said, "This might be the best thing that's ever happened to you. You built a customer base. You've gone to these trade shows. The buyers like you. If you create your own brand, maybe they'll buy that from you." And I said, "I don't know, but it's worth a shot." And I spent \$80,000 and I placed the first order on my own brand. It was the first brand that I created. And it went very well. I'd say that it retailed probably over 1 million in the first year. We weren't retailing it at that. We were just wholesaling it, but it did very well.

And from there, once you get some success, that breeds a little bit more success and more confidence. So then we created our next brand, and that one definitely, within a year, did \$1 million worth of retail sales. And like that, we kept adding brands. So when people say you have to see these situations and realize they may seem like the worst thing in the world right now, but may be the best thing that ever happened to you, that is so true. Because I'm telling you, I almost entered into a depression when this happened to me. I could have quit. I could have just closed up and said, "Forget it. They're taking my territories. They're ruining me." And they did me the biggest favor ever.

Jaime Tardy:

So that's what anybody quitting their day job is scared as all heck for though, is that day when it sort of dries up and you're like,

"What do I do?" So at that moment, what – comatose, right, five hours – what made you not just go get a job?

Joel Gandara: Yeah. In the startup stages, I did think of getting a job sometimes. I even applied to go back to an old employer, the best employer I've ever had, Carnival Cruise Lines, selling on the phone, cruises. I loved them because they were a big company. They trained you. It was a fun atmosphere. So I called them back and they were willing to hire me back. You know, I used to produce and I was a pretty good salesman for them. So I had that opportunity fortunately. I didn't have to take it because it would have been a good job. But obviously now, it's a great –

Jaime Tardy: What stopped you? Why didn't you take it?

Joel Gandara: Because I went to – this is amazing – I got hired, and I went to Vegas. I told them, "I need to go to this trade show. I already paid for it. You guys know I have this business on the side." And I went and did it, and at that show – this is again, when we were – I was still a small, small business – I got \$24,000 in orders, hard orders on the spot. And I said, "Wait a minute. This could ride out awhile." And most of that was from new customers which were repeat. So it wasn't the same customers who that's all they placed. You know, somebody buys 1,000 today, they're going to buy 1,000 next month and 1,000 next month.

So 24,000, you can kind of count on that repeating itself every month. So that's what saved me from going back to that corporate structure. But I'll tell you this. The one thing that kept me from having to go back to a job and other points, other low points, was that I'm a saver. I mean I don't know anybody more financially conservative than I am. I just – I built the business on those \$500, and I mean literally. My first year in business, I made more money than my parents have ever combined for in a year. Because you know, we were very poor. They worked really hard and they saved, but they just never really got – they got a late start in this country since we came here.

But what I did learn was to save a lot of money, and live way below my means. I mean today I still get made fun of by some friends who say, "Well you know, you could do this and you could do that." But I don't want to do this and I don't want to do that. I'm happier doing it the way I'm doing it and living at the level of life that – which I'm not saying it's a bad level. It's just live below those means because your business, especially when it's starting

out, is going to have a lot of ups and downs. And if you're used to that paycheck from a company and you're deciding – because I was there once – deciding, do I let this go to start something?

First of all, the more secure thing to do is have your regular job and then start something and let it get to a point where you say, "Wait a minute. It's here now. I can now let this go." But you shouldn't get used to that paycheck. If you're making \$90,000, \$100,000 a year, don't live like you're making it. Nobody needs to make 90 or 100,000 forever. You can for a little while sacrifice and I used to sacrifice. I have stories that I'm embarrassed to tell about how much I would sacrifice on money just to save.

Jaime Tardy: Ooh, tell me. I want to know. Tell me about that one.

Joel Gandara: I had a job, for four years I worked in radio in California. I was young. I was 19 to 22 around there, I did that job. And I would work 3:00 to 11:00, 3:00 p.m. to 11:00 p.m., and it would be 7:00 at night, I ate all my food. I was 19, 20, you know, I ate a lot at that age. And I would run out of food and I'd go downstairs to the vending machine because I couldn't leave the building. I was in the network control center. And I would go down to the vending machine and see something, and, ooh, 75 cents for those crackers. I'm building towards something much bigger than this. I'll hold out. And I'd hold out on my stomach growling for four hours.

And that happened to me many times. I'd be out in the street and I'd say I'm an hour from home, I'm starving. When I get home, there'll be food at home, so let me not spend the money. And it's not like I was saving it because I like money, or hoarding it. I knew there was something bigger. So, thanks to those samples and thanks to working fulltime. When I was 22, I bought my first house, and I saved up \$32,000, put a down payment and moved away from my parents, 400 miles away, and kind of did it on my own.

And you know, that created opportunities because I had a Spartan lifestyle, very simple, very basic. I got the master bedroom in that house – and this is good in case anybody's out there thinking maybe I should buy a house, but that's a lot of money. I was 22 years old, single, got the master bedroom, and I rented out the two bedrooms, the additional bedrooms to two students who worked fulltime. I was a student still. I was working fulltime. None of us ever saw each other. But my \$819.60 mortgage, they covered \$800 of it. So I paid \$19.60 a month. When you're young –

Jaime Tardy: **[Inaudible] [00:18:38]** deal. Smart **[inaudible]**.

Joel Gandara: – and you're eager, that's what does it, you know, and that allowed me, 12 months later, I had a nice little nest egg. I bought a rental property. Twelve months later I bought another one. So those things really helped out, just by living simple. And I knew it wasn't permanent. I knew the day I get married, I'm not going to live like this. I knew the day I have kids, this isn't going to happen. Obviously my kids don't even know what that lifestyle's like, but it was a short term. I said, you know, for five, six years, I'm going to make myself struggle and I'm going to save every penny for a bigger – not to buy a car that's going to depreciate the day you drive it off the lot, but for something really big.

For real estate, for starting a business. So that's what enables you, I think, to be able to let go of the secure job, if you've got a nice nest egg which you created. And you create it on your own. I didn't have anybody giving me money.

Jaime Tardy: So tell me about tactics on saving money. Like what do you do specifically? Do you have an emergency fund personally? Do you have an emergency fund business-wise? Tell me tactically what you do, so that way we can start doing similar things.

Joel Gandara: Yeah. Unfortunately, I don't fit the mold. I will probably never sell a book because my life is so uninteresting, as far as tactics and tricks. I have none. Here's the thing. I see money as – I have this, figuratively speaking, but this pot of something, and I dump it all in there and I put it away. And when an opportunity arises, like, at 19 years old, \$500 for underwear, yeah, I've got a couple thousand saved from my job. Boom, I jump on it. When an opportunity arose to acquire a different business which I have, maybe it's a couple hundred thousand dollars, I have it. But nothing is planned out because I don't know what tomorrow's going to bring.

I can't – just so you know, I've never made a budget for my business. We sell millions of dollars, and we profit a good amount and we have a successful business.

Jaime Tardy: **[Inaudible] [00:20:24]** people that. **[Inaudible]**

Joel Gandara: And we employ a good group of people, and we have a good business. And it may sound irresponsible, but there's no budget. We keep as much cash in working capital as possible, looking for

opportunities. Right now we're developing brands of socks, so we're expanding, and brands of jeans that will be coming out next year. All that happens and I don't have to take a partner, which – I have no partners, I have no debt, personal, business, nothing. There's no debt. I don't owe anybody a penny. So there's no planning, as far as where do I put this money? How do I allocate it?

There's no tricks. It's work really hard, as hard as you can, as smart as you can too. And put it away for a rainy day. Well that rainy day for me isn't a gloomy day. It's a sunny day because it's an opportunity. There's an opportunity to do this. It's going to take \$50,000, but I don't have to say, "Oh, poor me. I can't buy it. I don't know how I'm going to do it." Yeah, there it is. And just the same. I had friends when I was younger who made a lot of fun of me. Once we were 21 or so, they'd go out drinking every, let's say Tuesday night, they'd go out drinking every Tuesday night and blow 50, 60, 80 – I don't know how much they did.

I never did. I'd hang out with them and we'd play basketball and do all that stuff, but when it came to wasting money and drinking, I didn't do that. I don't care. I don't feel like I missed out on anything, but when you do the math, some of those same friends later told me, "You know you were lucky because when you got going with this or that, you had money." And I said, "You know those Tuesday nights where you'd spend \$80 every week? Do the math. Multiply that out for 52 weeks. And that's all the ones I know. I don't know what else you're blowing it on.

But all of that, would that amount have turned around and been a nice nest egg? If you had that today, would you consider yourself fortunate or wealthy or well off? Yeah. Well, there you have it." It's **[inaudible]**. Yeah.

Jaime Tardy:

So how do you – the difference between enjoying your life – because this is what everybody says, right? Like I went through Dave Ramsey, I know all that fun stuff, right? I paid off 70 grand in debt. And it's one of those things where you're like, how much do I enjoy life and going out? Maybe not drinking, but going out and having fun, versus saving and squirreling every single penny and really – because we don't also want to live in a sort of world of lack where we're like, "Well, we have it, but I don't want to spend any of it because then" – you know? That's not good either. Because then you don't feel good. So how do you do that?

Joel Gandara: It depends on the individual. You do what you're comfortable with. I do it within reason. First of all, I mean I'm not – I don't know how to explain what my life is like. It's comfortable. It's very comfortable, and it's more comfortable than the great majority of people. So it's not bad. But it was. It was simple, and it was – but the way I see it is it's toward a goal. If there's a goal in mind, then you'll put up with a lot of things. You know, anybody can take pain temporarily. And when I say pain, the poorest person in this country is like in the top 2 percent of the world.

Jaime Tardy: Exactly.

Joel Gandara: So I didn't have cable TV until I was 25 years old. My parents never did it because they were struggling and working really hard and putting away, and they paid off their house. But they didn't need it. So I played outside more. Great. The only reason I even got it is because the apartment complex where I bought a condo, it came with the HOA dues. So that's why I had it. Now I have a cable box in every room and a DVR and Showtime, you know, all this stuff. So I don't have to live that poor. But it's that. It's saying, you know what? I make – let's say someone out there makes \$80,000.

Actually there's an NFL football player – I don't know his name. I don't keep up with sports. But it was in the newspaper recently, that he's making hundreds of thousands a year, but he's living on \$60,000 a year, and he's investing the rest. Right? So if he's happy and he's comfortable and his family's okay with that, more power to him. You know what's going to be at the end for him? Something way better than all other NFL football players have.

Jaime Tardy: No kidding. Because they spend all their money and then they can't play anymore, and they're all screwed.

Joel Gandara: Kids need more heroes like that to give them a good education. So yeah. I'm not saying to not enjoy life. There are things in life that you can enjoy better or less expensively, and it feels better. I'll give you one example. We live in a nice community, and when we moved here about a year and a half ago, my kids and I – this is middle of the summer, we're riding bike at like noon, a few blocks down. And in my community there are some professional athletes. And so there are homes here that are nice, and then there are some mansions.

Well two blocks down, there are some mansions. And my kids and I were riding bike, and they said – we had just moved here, and they said, "Why can't we buy a house on this street?" I mean those are like 8,000 square foot, gorgeous, beautiful homes with the golf course in the back, everything. And I told my kids – remember, it's middle of the summer, middle of the day on a weekday – and I said, "We're riding bike right now. I don't see any of those dads here right now. I don't see any of them playing with their kids." And we ride bike there all the time. I never see anyone outside.

So I told them, "We could buy that house. We could buy any of these houses. The difference is I'll have to take a mortgage if it were one of those, and then I would probably be a little more stressed, so I would probably go to work a lot more and be there, physically involved in the business. I'm involved in my business every day, and thanks to the mighty cell phone, we can be in contact all the time. I don't have to live there. But if you're up to here in debt, you do live it, and then you're kind of a slave again. And then it's just like in the corporate world."

So that's kind of my balance. You find what you're happy with. I enjoy being more with my kids and less stressed about work, so I pick a lifestyle in a location or a spot where I think it's comfortable.

Jaime Tardy: You gave me chills talking about that. I think that's – and that's sort of the point of the whole show. Don't get me wrong. Money's great. And having money is better than not having it. Let's just say that. And it's not worth your life to slave over when time – especially with your family – is way the heck more important.

Joel Gandara: That's right.

Jaime Tardy: Let me ask you this. I have a bunch more questions. 1) How do you decide what to pull out? Because when you're thinking of cash flow in general, especially with a product-type business where you have to front a lot of inventory, how do you do a cash flow versus taking money out and putting it in your own personal savings account? Like how do you decide that?

Joel Gandara: Yeah, I don't – I guess I'd have to talk to an accountant or my attorney about what's smarter. I assume – and this is a tax type question or liability question – I assume money is safer in a corporation where it's put away, than in my personal holdings. And I only pay myself through a salary and distribution what I

need. I don't need a nest egg. As long as I'm maxing out my 401K, contributing to my IRA at the max, you know that ROTH one, and investing in everything that can be done, I don't really need cash. One example, right now we're redoing our pool and building a kitchen outside and all this stuff.

So I'll give myself extra distribution to cover that. It's paid for in a month or so, and then we're done. I don't need to hoard a bunch of personal cash because I don't need it, and it probably – you make better decisions, business-wise too, but you always make better decisions with less money. So I have to catch myself with that. I sometimes sit in a chair and I go, "Wow, this is an awesome chair. How much is it? Oh, it's \$800. Yeah, I'll stick with mine." Even though I can buy it, I try to just be reasonable.

And I actually read something where you kind of have to give yourself – [inaudible] [00:27:45] your philosophy, I guess, but I liked it when I read it, that you can't get too comfortable. You go and buy yourself the most beautiful, comfortable chair, you're just going to sit back and feel like you made it already. You kind of have to have a chair that squeaks, maybe pokes you in the back, I don't know. But to keep you hungry and say, "You know what? When I have X amount, maybe I'll get myself that chair."

You know, whenever you want, you buy yourself a chair or whatever it is, or you buy yourself the second best one, just so you always feel a little hungry and motivated and excited. It's not just hungry for money because you need it. It's the excitement of building things and growing a business. Right? You want to stay excited about it. Otherwise, you start waking up and it's not exciting. You know? I wake up and I'm excited. I like what we're doing, and I see the growth and I see what we're accomplishing, and that feels good.

And to the point about money, to me, money – especially because I'm not materialistic, I don't care about things. I care about the freedom. To me, money is freedom, and it's points towards freedom. So 300,000 in my bank account is like 300,000 points of safety and security and freedom, right? And there's no end because I don't know how many I need to get to before I can stop earning points. I just know – maybe I'll know when I get there. But it's just freedom to know that I never have to go work for somebody and put up with a boss that is a jerk or whatever.

Jaime Tardy: See, that's an awesome game to win, of going, ooh, then I have this much. Instead of going, ooh, then I need to get this much. Because that's a totally different mindset shift that you end up hearing from the millionaires that I interview, that money's not all that important. Material items aren't all that important. But the people listening – I mean my audience is pretty amazing, but people listening are like, "Well that's easy for you to say because you have a ton of money. You can buy whatever you want." Right?

Joel Gandara: I agree, I agree. When you're starting out, money is everything. It's everything. That extra \$1,000 of profit this month over last month, that's huge, and you've got to work for that and you've got to – that's everything. But then there does come a point where you kind of stop stressing over that money and your stresses become how do I grow this? How do I make it better? But it's not talking about the money. Like when we make a sale, whether it's wholesale or a retail business or a warehousing business where we fulfill for other people, I'm never calculating how much did we make on that transaction? Ooh, I'm \$1,000 richer.

That's now how I see it. I see it, oh, good, this is building something bigger. It will be more sellable one day.

Jaime Tardy: Ooh. Let me ask you this though too because I think the niche that you're in is really interesting, especially because it doesn't seem like you have a unique selling proposition. Maybe I just don't know what it is. Like you're creating all these brands, and I'm like, well what makes you different? Especially the Mexico brand that you were selling? Was it better? Why did the market buy from you versus all the other underwear places?

Joel Gandara: Yeah, I still sometimes wonder, and I still, when I look at our sales, I always feel like that's it. We have to have sold everything that could have been sold by now. And then the next month we do better. And I go, how do – who keeps buying this stuff? Right? I honestly don't get it. But we go with what works. A lot of it is fit. You know, we sell intimate apparel, so it should fit a certain way. It should be comfortable. It should be a good price. And what's allowed us to compete is being vertical. So when we used to buy from an established brand, then go sell it to a store, so we doubled our price. They would get it and they'd do 2 times or 2.3 times cost from me, and then sell it.

That's a harder business. Now we make it and we go straight to the consumer. Because once you build the brand, people will go to the brand website. They may have bought it from other people, and they may still buy it from other people who we wholesale to, but they'll also buy retail from us. Because that's just the shift in the world, right? Now you like a brand, you can buy directly from that brand if you want. And that profit-wise is amazing. Not much there. It represents to the owner of the brand that it's not just wholesale. And you control your own brand.

You get to put it in front of people, thanks to the Internet.

Jaime Tardy: So how do you get your customer? Because that's the thing. You're going – and people just keep coming back and buying our stuff, which is really impressive, and usually pretty darn hard to get people to in general. How do you guys do that?

Joel Gandara: Yeah, well we, through the – it's really not rocket science, I don't think. Other than you have to have a good product because they're not going to keep coming back if they don't – and I notice that a lot of people, they focus on SEO and driving new traffic and getting new sales. And we do that too; however, we get repeat buyers and we get them a lot. And when we look at the numbers, the repeat customer business, I don't think it's normal in our industry how much we get. But we must be filling up people's drawers with our drawers, with our underwear.

Because you look at some history of people on a retail sale, and you'll see that a guy's spending \$3,000 a year on this one brand that you sell. One individual, at retail. You know? But people like a product and they'll keep coming back. And you've got to figure out what do they like about it? What don't they like about other people's? What ideas are out there on other brands that people like, and incorporate those into yours? As long as you don't break any patents or trademarks or anything. And go from there. And yeah, there is SEO and there's email blasts to get people to come back and remind them that you're there, and Facebook.

Although we don't know how to monetize Facebook. We really have not mastered that. We don't know how to turn that – because you run a promotion on Facebook and never see it turn into a, wow, this gave us \$80,000 in sales. It's hard to tell where those sales came from ultimately. But it's branding. It's staying in people's mind.

Jaime Tardy: So why go to socks and jeans? Totally different "market." Same avatar possibly, but it's very different, I'm assuming, right?

Joel Gandara: Yeah. Yeah, you know, sometimes I've read that the person who invents something or comes out first doesn't always make the most money off of it, right? It's the second phase, the second – not the one who implemented it, but the ones who come after and you learn from it. If you see that others in other industries are doing, or in the same industry are doing similar things – like bringing in other products, and you see that they've been doing it for a couple of years and you start hearing that it's going pretty well for them, then that's a safer bet. Whether you're starting up or you're getting into the next level, you hear that those opportunities are there, and you try it out.

And for us, it's the fact that we have a captive audience. We started with just underwear, and then we started manufacturing swimwear, and people were buying the swimwear. So then we thought, well wait a minute. We've been doing this for years. We're not introducing anything new. What are the chances – and we'll roll the dice and spend a few thousand and see what happens. You can always liquidate it and sell it for cost if you have to, but what are the chances, if I drove X amount of people to my website and they're spending X amount of dollars, that I might throw in there, "Hey, would you like to add this to your purchase?"

Or email blast them about that and give it a good run, and see what happens. But that's the thing. You don't know. You're throwing wet spaghetti against the wall, and the ones that stick, you go with those, and then you go to the next thing. And that's why I said, my course hasn't been planned. Nothing here has been like this and going straight up. Ultimately, it kind of has gone like that, but to get there, it's been this up and down and right –

Jaime Tardy: People don't say that enough. I don't think people talk about that piece enough because it is sort of all crazy. Because that's the thing, talking to you, it does seem like you're not risk averse – I think conservative, I guess I would say, in terms of what you do. But listening to all the opportunities you are going after is ridiculously impressive. Most normal people wouldn't call you conservative in any way. You're going – and then you do this, and then you do this, and then you tried this. So you tested a whole bunch of stuff, right? What are the ones that worked really well, and what are the ones that didn't work very well?

And how do you differentiate between them?

Joel Gandara:

Yeah. Oh, you know. When you lose money, you know. When we were still kind of starting out, didn't own our own brands yet, we put almost \$200,000 into a women's brand, intimate apparel, bras, panties, these beautiful sets, all lace, great stuff. It was very good quality. However, right when we launched it is when the stock market crashed in '08, and that was tough. We had full-page ads in national magazines. We had a call center. It was catalog sales. We had pallets of catalogs. We thought we were going to do an Avon type, catalog-type business for this industry, and that was a complete loss.

We ended up liquidating beautiful lace bras made in Colombia, not made in China, not made in Vietnam where it's cheap to make. We made them in a higher end location because of their quality, and we ended up liquidating the bras for \$1, and the panties for 25 cents, and these were beautiful sets. And they cost us, as an importer, those bras were like \$8 to make and they retailed in the 30s, and we sold them for \$1 in bulk, just to finally get rid of it. That was a huge lesson. I don't know yet what that lesson way.

Maybe it's subconscious. We haven't had any big mistakes like that anymore, but that could have knocked us out of business. Again, if we wouldn't have saved – if I wouldn't have saved and been the way I was, that would have knocked us out of business because it was a lot of money to lose when we were just starting out. We didn't even have a single brand that we owned. So we lost a lot there. But survived. There were no hiccups. I think maybe a couple of paychecks, I did not give myself. I'm in the payroll just like the employees, as the president of the company.

I didn't pay myself maybe a month or so. But I survived. And it didn't affect us because we were comfortable by saving. Not by earning a lot, but by saving. So that's a situation where you know you messed up. That didn't work out. I got into something I didn't know. I didn't know that market well enough. It was already saturated by the competition. It's better to be a big fish in a little pond and stay in that more niche business that we're in. And then there's other things that you realize do work. Creating our own brand. Going direct to the consumer on our own brand retail websites.

Our newest thing is, because we've built the system and we spend hundreds of thousands of dollars a year in our warehouse – not on

the infrastructure, but on the technology – we can ship orders immediately, zero errors, zero problems. You can't mess up. I mean the technology is amazing. The guys are picking it and packing it basically within seconds because the technology is so good. That we've shown that to our import broker, who she also has a lot of contacts, so she's introduced us to other people who are in the area here in Florida – although they could be anywhere – and we have gained some clients where they own a brand or they have a retail website, and they're tired of running their warehouse.

Or they're tired of a third party fulfilment warehouse. It just isn't working out for them. And we're filling that need. And now growing into a new business where we're fulfilling in our warehouse and it's paying off. That was not the intention. We didn't do that at all as the intention. We wanted to perfect our system and ship our customers' orders immediately and not have any problems and no errors. And now we realized, oh, wait, maybe we should tell some people about this. And we did, and that's gotten us some clients.

And we haven't even developed a website for it yet. We will soon. It is being developed. So we can launch that as a business. But see, they were baby steps. Just like being at the flea market and testing it and okay, a little bit of e-Bay, a little bit of that. Okay, it's grown. Okay, I've got a brand. I think I can quit my day job. Just the same, I'm not jumping all into this thing and saying, "I'm going to develop this huge business because I dreamt it." No, we tested it. These customers are giving us enough to make this a real business. Let's go get more customers. Right? So it's been like that, kind of step by step.

Jaime Tardy: It's so amazing though when you compare, especially those two opportunities that you just talked about, right? Going after the women's underwear market just makes logical sense after you sell men's underwear. And that's the one that tanked, and yet warehouse fulfilment –

Joel Gandara: Yeah.

Jaime Tardy: – right – you would never think. But what you do is you follow wherever the market is and where the pain points are and you go after that.

Joel Gandara: That's right. Wherever there are needs –

Jaime Tardy: **[Inaudible]** [00:39:29].

Joel Gandara: – yeah, some of it you guess, but don't guess too big. Don't go crazy. Don't risk your whole business on this massive guess. Test it and see what happens. You can always test and measure, and realize – oh, and have an exit strategy in case it didn't work out. For example, the socks, if those socks really don't work out for us, it's not going to kill us. But now we've learned a little bit. We probably won't lose money. I'm sure we won't lose money. Because you look at the cost, and you say, "I know I can get these out cost in the worst case scenario." So if our worst case scenario is put \$15,000 into something that will come right back if we have to, that's not so bad.

You turn it into \$60,000, that's pretty good and you keep doing it, right?

Jaime Tardy: Yeah, so there's a big upside, low downside. But why did you do \$200,000 in women's? Was that just a mistake or –

Joel Gandara: Because I hadn't learned the lesson yet. It hadn't happened yet. **[Inaudible]**

Jaime Tardy: You're like **[inaudible]** don't do that.

Joel Gandara: Yeah, and I never had an advisor. I never asked for help back then. I've learned. I've really learned. In fact, I now, I ask for help. I – by just asking and making friends, I had a professor in college – by the way, it took me ten years to finish college because I was doing this fulltime and working fulltime doing all that, so I finally graduated, and I had a professor who was an advisor to the American Marketing Association. I was a member of it when I was in college. And he put me in touch with somebody who's very successful. I don't know how many figures, but he's sold off companies and he's done very well. Retired at about 40.

And that person has been the most valuable asset to me because I finally learned, oh, you can ask people for help. Successful people are willing to give you advice. And for the simple cost – first of all, I enjoy his company, so I invite him to lunch every six months, four months, three months, depending on what I need. And for the simple cost of taking him to lunch and spending \$25, \$30, I get to get all this information that – some of it, it's immediately an aha. Yeah, I want to do that. And some of it just sits in the back of your

brain, and you don't know why you made a good decision two years down the road.

But that person giving you that advice and getting you to think like them, got you to do that.

Jaime Tardy: How did you get him to say yes to that? That's what a lot of people ask questions. Because if he's so successful, why is he going to go to lunch with you? Not that you're not successful, but you know what I mean.

Joel Gandara: I know. There's no comparison between us. I don't know why. Maybe that professor who put us in touch always told me, you know, "Some people are planners and thinkers. You're a good doer." He would tell me, "You always do – you come up with an idea and you do it." And I think that he conveyed that to his friend, and his friend liked that. Because you don't want to help anybody who doesn't help themselves. Right? I would love one day – I don't know if I'm there yet or if anybody would care to hear my advice, but I don't think there's too many more better rewards than to be able to help people.

Especially a young person who's in a position that I was 20 years ago, who's kind of lost, and what do I do? I would love to do that. It would feel good to me. I don't need to get paid. I don't want to get paid. I would just feel good doing that. So maybe he feels good doing that. He's a good person. I think I'm an okay person, so I would get something of it. I think he gets something out of it. He just feels good that he's made it. He doesn't need any more money. And he retired at like 40, so he doesn't need much.

Jaime Tardy: He's got time now too.

Joel Gandara: Exactly.

Jaime Tardy: Take me out to lunch.

Joel Gandara: We go to lunch and we chit chat, and he said it's good for his brain. He said he likes it because he gets to think and walk me through problems. Yeah.

Jaime Tardy: That's amazing. And it's hilarious that you're saying this, because in my head, I went, are you kidding me? Everybody now is going to be emailing you and going, "Please mentor me. Please, please." My audience is always looking for people to mentor them, and I get emails all the time asking to get introduced to millionaires.

And of course I don't. I don't introduce anybody to millionaires in general. I mean people ask for dates – they ask a lot of stuff.

Joel Gandara: Well I don't want any dates. I'm happily married, four kids.

Jaime Tardy: No, no. But it's funny what I get emails for. But one of the biggest ones is mentorship. Because a lot of people talk about how important it is, but then it's hard to actually do that. Did you go out – especially with that professor – did you go out looking for a mentor and he introduced you? Or were you just – it was just happenstance?

Joel Gandara: I asked that professor multiple times for advice because I figured who better? He was my professor. He was also the mentor and the professor who headed the American Marketing Association. So I had a rapport with him. I was the president of the organization, so we became friends. And here's the thing. If you rub people the right way – because I was president of that organization and I would go out and try to get funds for the organization through fundraising, and I did things, he saw, well, this guy's okay. Right? You impress people because you're supposed to be impressing and selling all the time.

If you impress people, they're going to talk about you in a positive way. And that's going to get you more contacts. All right? And also one thing I have learned is that – I have a little saying that I tell myself, and it's get off the couch. And I'm not a lazy guy. I don't sit around on the couch. But any moment I see that I'm wasting time, I think, wait, wait, I could probably be contacting somebody. I could text a friend and say, "Hey, how's this thing going that you were going through?" Do something. Get out there and talk to somebody.

Because I've never had bad things happen because I go to talk to people, right? We're talking right now. Something good is going to come out of it. Either for myself or for somebody else. If somebody does want me give them advice for something, sure, that's good for them, good for me probably because I can learn something. So I actively went out and asked questions on real things that I needed. I didn't want a mentor because I wanted a mentor. I just wanted to ask, "Hey, I have this dilemma. You're a marketing professor; you know what you're doing.

Here's my dilemma. What do you think?" and he put me in touch with this friend. And he's the one who said, "Sure. Let's have

lunch. I'll help you out." And you can't be shy. Because I think I lost a lot of opportunities in my past by being shy and going, "They're not going to want to talk to me." Right? He's proven to me that he does want to talk to me. He sometimes contacts me, which is awesome. And he'll say, "Hey, I've got a question for you. In the clothing industry, this, this or this." Or he'll just call it a checkup.

Or he'll say, "We haven't seen each other in a while. Let's talk." This is a guy who's the most successful person I know and the most successful person most people would know. And it feels pretty good because he sees that I'm genuine. I am definitely – I'm not smart, I'm nothing exciting, but I'm genuine. I ask him real questions. I'm concerned for him. And we built that rapport. But I would definitely advise people to – in any position in life – I'm still looking to meet more people.

But impress people by being honest, by being hardworking, by showing that you're trying your best to get ahead, and they're going to see that. And also ask for help. You'll get it. Maybe 1 out of 10 won't, and they'll tell you, "Go away." Don't get discouraged. Other people will probably help you or guide you to talk to somebody who might be able to help you.

Jaime Tardy: So just get out there. Keep moving forward no matter what, and then things end up happening.

Joel Gandara: Yeah.

Jaime Tardy: Amazing. Thank you so much for coming on. I know we have to start wrapping up, so what's one action listeners can take this week to help move them forward towards their goal of a million?

Joel Gandara: Yeah. When I first met that friend, the one we were just talking about who's very successful, he told me – he started as a bank employee. Graduated from a very good college and he was making \$50,000 a year. And then he had a customer who would bring in a wad of cash every day and deposit it, like \$3,000 in cash daily. And that customer barely spoke English. He says they could barely communicate. But the guy had hot dog carts, or something similar to it, out on the street. A few of them. And that's what he was doing.

And my friend said, "You know, I went to a very good college. I'm a finance person." By the way, I think he's a genius. He can

analyze things amazingly. And he said, "and I'm making \$50,000. This guy's doing this." And then so long story short, at the end what he told me is, "The way I got to where I was at that banking job to where I am today," he said, "I know it sounds simple, but okay, here's where I want to be, and here's where I am today." He said, "Every single day, I did something in that direction. Something." Just little steps. It may take two years. It may take three years. Who knows what it is?

And I personally, I don't know about him, I don't shoot for the moon. I shoot for just up there. I want to get right here. And I go, go, go, go. When I get it, I never rest because it's a moving target. I've never hit it. And then it goes up, and I go – but the one thing to do this week is that next step. You know what it is. If you don't know, forget it. Don't even watch this show. Don't do anything. Because whether you figure it out – you may not know what that thing is, but read more books, talk to people, meet people, study, research things on the Internet, and do it. Do the next thing.

But don't just have it in mind, do it. You have to actually do that thing. That's what I do every single day.

Jaime Tardy: Become a doer, just like you. Thank you so much. Where can we find out more online about you? Where can we pick up these amazing underwear? I mean I can't because I'm a girl, but other people can.

Joel Gandara: Well, it depends on the risqué level of clients. One of the more moderate, I guess, sites is agacio.com, A-G-A-C-I-O.com. And they're boxer briefs and briefs and things. That's one of the many that we have.

Jaime Tardy: Okay, and underwearstation.com is the other one, right?

Joel Gandara: That's our business to business wholesale site.

Jaime Tardy: Oh, cool.

Joel Gandara: Log in only. I don't know, if anybody were to want to contact me for any reason, I'd be happy to help them out, whether it's for warehousing, whether they like underwear or whether they – if anybody wanted to talk about anything, I'll do whatever I can. My email, if I can give that?

Jaime Tardy: Oh yeah.

Joel Gandara: It's Joel –

Jaime Tardy: Prepare to get bombarded, but go ahead.

Joel Gandara: That's a little scary. Okay, don't send me anything to sell me anything. I don't want to buy anything.

Jaime Tardy: Oh no, they won't do that. They'll be like, "We love you."

Joel Gandara: Yeah, it's Joel, J-O-E-L @underwearstation.com.

Jaime Tardy: Awesome. So make sure – nobody sells him anything because then he'll get mad at me, okay? So only tell him how awesome he is, okay, everybody. Thank you so much for coming on the show today. I really, really appreciate it.

Joel Gandara: My pleasure, Jaime. Thank you.