
Jamie: Welcome to Eventual Millionaire. I'm Jamie Masterson. Today on the show we have Matt Miller. He runs School Spirit Vending. It's actually a ridiculously amazing story. I am so excited. I met him at Podcast Movement a couple years ago. Thanks so much for coming on the show today.

Matt: Hey, Jamie. Thanks for having me on.

Jamie: You have an incredible story. So you were in corporate beforehand, and then – it has to do with gumball machines. So tell us why you got into vending.

Matt: Yeah, actually I was an Air Force pilot even before corporate. So I've reinvented myself three times along the way. But I realized in the military that I didn't like being told what to do. So I decided to get out of the military, go into corporate, and I thought it would be better. What I found out was, that wasn't the case. Yeah, things were a little bit more lax. The corporation didn't control me completely like Uncle Sam did in the military. But I found out that the rules were changing all the time.

They were never in my favor. And I just got really, really frustrated. In fact, my first full year in the advertising space, I was No. 2 in the country out of 750 reps. My boss didn't like the accolades I got so quickly; he didn't think I deserved them. So the next year, she increased my quota 90 plus percent.

Jamie: What?

Matt: Yeah. The average quota increase was 5 to 10 percent in the office. So I went from being a hero to a zero overnight. That decision cost my family about 80 grand in commission and bonuses the next year, and we found ourselves in a huge hole financially. So I started looking at the compensation plan and realized there is no way I'm going to be able to dig myself out of this hole just with my job. And so I started doing anything I could on the side. I literally collected aluminum cans for awhile. I sold used books on Amazon and eBay had Half.com and [Elibrus](#). My garage at one time looked like a library because we just had literally shelves and shelves of books.

But I had read Robert Kyosaki's book, *Rich Dad Poor Dad* and I'd also read Tim Ferriss's *4Hour Workweek*. And I bought in to both of those guys and kind of what the vision they paint with their

books. So I started trying to figure out okay, how can I develop this passive income where I can begin to live life the way I want to live it, instead of somebody else tells me how to live it. And a good friend of mine from church one Sunday mentioned he and his young daughters had bought a couple of gumball machines, and it was something they were doing together as a family.

He was teaching them about business. They were making some money. And I was like: you know, I'm broke. In fact, I had just before that gotten turned down for a payday loan. You don't need a credit rating for a payday loan but I had had three overdrafts the month before, and you've got to show a bank statement and explain to people – or show that you don't have any issues. So I couldn't even borrow a couple hundred dollars to pay a bill. So we were hurting.

So even though gumballs were only a quarter apiece, the margins are huge. A gumball costs, what, three cents at Sam's Club? So to sell it for a quarter is a monster markup. And I knew that I could start there and that the machines would do all the selling. So I could continue to pursue my career, continue to do what I needed to on the side, and then start this gumball machine business, as well. And over time, if I was willing to follow through, get myself out of the hole I was in and eventually earn my freedom.

So I found a used candy and gumball machine on eBay from a guy across Houston. We were living in the northeast side of the town at the time. Loaded up my two oldest kids in my '98 Honda Accord one Saturday morning and we drove across town to pick up that gumball machine. Stopped by Sam's on the way back home so we could pick up some candy and some gumballs. And then Monday afternoon after work, I went out and started knocking on doors, trying to figure out how to get this thing placed. Within a couple days, I got it placed.

Now, the kind of vending that I do is called bulk vending: toys, candy, gumballs, temporary tattoos, stickers, that type of thing. And so at that point in time, I was doing things primarily in businesses, restaurants, that type of thing. My first location was a karate studio. Normally, it takes six to eight weeks before you go back and service the machines. After two weeks, I couldn't help it. I needed to know, are people actually using these things? So I'll never forget. It was an evening.

There were karate classes going on. I went in there, turned the key, opened it up, quarters spilled out all over the floor. And I was like: we've found an answer, or at least the answer to start working out of this hole. And so that's kind of how it all started.

Jamie: Number one, that's insane that somebody can make that one decision and mess up your entire life. Which is why I think we're business owners right now, which is kind of sad. So how did you actually get them to say yes to go in the karate studio? Because do you give them a cut? How did you even learn this business when you didn't know anything about it?

Matt: I went on Amazon, I bought a couple eBooks and I just started studying. I spent about a month reading up to figure out all I could about vending. And one of the things about bulk vending is the fact that the capacity in the machines is very, very large. So you don't have to service that frequently. Most people associated soda machines, or snack machines or whatever as vending machines. The challenge of those is if you've got a really good location, you've created a job for yourself because the capacity is such, you've got to go back a couple times a week just to keep the machines full.

And I was trying to create a lifestyle over time and continue to do my job, because that was putting the food on the table and the roof over our heads. So I need something that required a very limited time commitment that I could literally do on the side. As far as knocking on doors, I offered a share, a portion of the proceeds with the location. It just so happened that karate studio was raising money at the time for one of the kids' families. I don't remember, some medical emergency or something.

So when I talked to the guy that was managing it, I said we normally give to this charity. But in this case if you'd like, I'd love to help out the family in your studio and just dedicate – or donate the proceeds to them. He said: man, that would be awesome; sold. Sign me up. And that was kind of the beginning of it all.

Jamie: Wow. How long ago was that?

Matt: This was probably ten years ago.

Jamie: Do you think it's a thing now? Because I'm just thinking about for my kids. Because my kids are always thinking of how to make a

business. And I want to do something that feels more real to them. But now I feel like ten years later it would be difficult to do the same thing, no? Is there like vending machines everywhere or you still think it's a thing?

Matt: No, I think it's a thing and especially if it's just something you want to do small on the side with your kids, you could definitely do it. I'd love to teach you. It's not complicated. I'm on the board of directors and the executive committee today for the National Bulk Vending Association, so I've got relationships with all the major players in our industry and all the suppliers. And yeah, for something that you guys could do together, like you said that's real; it'd be awesome.

Jamie: That would be amazing. They sit at the end of the driveway – there is no traffic but they sit at the end of the driveway trying to sell stuff and it doesn't work. And I really want to make sure we can try and help them out. So you evolved, though, too. So it wasn't just – okay, then we had the times ten on the machines and it started making money. Tell us how that went and how you were able to quit your job.

Matt: So I went about a year and a half, and in that period of time working nights and weekends I had built up to about 125 locations around Houston. And then '07 and '08 hit, and the market tanked. People stopped going out to restaurants and even when they did, little Johnny and little Suzie weren't allowed to put quarters in my machine oftentimes, because Mom and Dad didn't have them. So I was frustrated with the revenues. And right around that time, I had four young kids come knocking on my door selling me stuff for the local school. Their parents weren't with them, I was in the big city and I didn't know the kids.

And I was like: you know, this makes no sense to me at all that these kids are essentially door to door salespeople for the schools. And so I was wondering, maybe I can tie what I was doing in vending in to fundraising in schools; get some kids off the street. And oh, by the way, develop an income where I don't have to worry about if Mom and Dad are going to the location or not because little Johnny will be there five days a week, nine months out of the year.

Jamie: That's insane. Okay so great idea, but how do you put it into fruition? Because I feel like a lot of people have really, really good

ideas, and they're like: I think this is a great idea. And then they do squat with it. Or, they test it a little bit and they're like: nah. So how did you actually push this into fruition?

Matt: I went back to what I had done originally with the gumball machines. And I started knocking on doors, except for just schools. And I found out real quickly that didn't work.

Jamie: Okay, because I'm like how did that – because I know people that do that at schools and it doesn't work.

Matt: Yeah. We figured out the process today but at the time – you know, most educators and administrators are that way for a reason. They're not risk takers. And we're all, by nature, don't like change. So everybody thought it was a great idea but I didn't find anybody who was an early adopter, who was willing to kind of stick their neck out a little bit. I did have a friend who got me into my first school to test, down in a little town called West Columbia, which is about an hour and a half southwest of Houston. And that's where we proved concept.

But then after I went out door knocking, I was frustrated. Because I was like: this school is doing great, but how do I get through to the others? And it just so happened I was doing some searching online, found a trade show for volunteers in the school space that was coming to the north side of Houston. And so I called a couple of my buddies. Jerry, the guy who got me into his elementary school, and then another friend, Shane, who I had taught gumballs and all that to previously, and I said, "Guys, I've kind of been talking about this idea. I found this tradeshow. Do you guys want to split a table and give it a whirl?" And they said yeah.

So in two and a half weeks we threw together a logo. We got some cheesy tee shirts that looked absolutely ridiculous, and we set up one of our machines at the event. And we had no clue what we were doing, except for we were excited and we knew that we had this one school that had done really, really well. In fact, the whole concept is developing is developing custom spirit stickers for the schools, and those are part of the offering that we put in the machines. At that time – I'm embarrassed to say it now but we had two, little, tiny spirit stickers that were sitting on the center of this eight foot long table, and then the three of us sitting there and not having a clue.

But out of that event, we found ten schools that got excited about our program and wanted to bring it in. and so we just began to build from there. And today, we're in over 2,000 schools. We're a franchise. We're in about 32 states right now and we will double our team size this year alone. So it's a pretty crazy time but really exciting time.

Jamie: Geezum. Okay, so tell me a little bit more about what you provide the school. Because it has to be a win-win for both, and I know that's sort of the whole point of school spirit vending. So they make money – so tell us the business model side. And then if you could, tell me how you convinced – not convinced them but how you got them excited about it. Because there wasn't vending machines in schools beforehand, or were there?

Matt: In some schools they had snack machines and that type of thing but even the federal government, in the last couple years, has come in and said that anything that's not healthy is not allowed to be provided for kids in a public venue like that. So if they had that kind of thing, they had to be taken out. So there was a hole there. But it's a revenue share thing. They get a portion of what we do. It costs the school nothing for us to set up so it's free to them.

And then every school in America is short on money and short on volunteers. And so we filled both of those holes. We help them provide funds for whatever programs or services they need money for. And then because we do all the work, they literally just cash a check; it ends up taking care of the volunteer part of things, too.

Jamie: Oh, that's amazing. What is in those vending – it's not just spirit stickers; what else is in them?

Matt: Spirit stickers and then whatever other stickers the kids are into. I real early realized that there's a lot of product out there in the marketplace, but much of it was edgy and I would not want an elementary kid being exposed to. So we started designing and manufacturing the majority of our product for our machines ourselves. So I kind of direct that whole process today from start to finish for the majority of what we offer. We've got NFL, and we've got NBA and we had Star Wars. It was big for us this year. But that's just a real small part of our offering.

Jamie: Wow, that's insane. Okay. It's funny because I'm thinking if I was a school, I wouldn't want a whole bunch of stickers because then

they'd be on lockers and they'd be everywhere. Do you ever have that as a problem?

Matt: That was the one question we had when we did that first event. And here's what we found. And literally, I've gotten two complaints in eight and a half years. And what we have found is because the kids are spending their own money, they're putting stickers on their own stuff and not on somebody else's stuff.

Jamie: Wow, that's amazing. It's so funny because as you told me the story – I think this was back at Podcast Movement. I was like, why aren't there just stickers all over the place and people upset? It's insane that you created a whole business model and they actually really care about everything that it is. So, why stickers, out of everything? Is that the only thing that you could get into schools? Like how did you come up I think stickers being the thing? Because especially since you went from gumballs and toys, which of course don't really make total sense going in schools – I mean shouldn't, anyway.

Matt: Well, several things. First off, the shelf life of stickers. I've always supplied my business out of my garage. And in Texas, as you know, it gets really, really hot in the summer and it gets pretty cold in the winter. And so to have a product that can deal with the fluctuations in temperature is a big thing. There's toys and all kinds of other things that could be done. But the challenge is that first off, if we get a great idea, or somebody says man, we should try this, with a sticker I can literally have a series designed in a matter of a week or two, printed a week later, and we could have it in schools testing within a month.

Any of those other things you've got to deal with China, and molds and dyes and a huge commitment financially. Where we've got the technology today where we can do a very short run of something, test it to make sure that the kids like it. If we validate the concept, then from there we do a full scale print run and make it available to our entire franchise team for their schools. So quick to market is huge. Also, I literally built my first 75 schools in a '98 Honda Accord. Any of these other products, I would need a box truck, or a cargo van, or whatever. And quite honestly, I didn't have the money to do that kind of stuff.

So a box of stickers is this big, you know? So I can take care of enough product in a small car or we've got a Honda Odyssey today

that we use to take our family around and it doubles as my servicing vehicle. I'm not doing the servicing anymore but it had been previously. And I can take care of 30 or 40 schools' worth of product just in the back of a van.

Jamie: What made you keep going when you heard so many nos? Because that's the thing that I think, especially with newer entrepreneurs, they're a couple months in and they're like, not really feeling the traction. They really want to be moving faster because no offense, all typical entrepreneurs, I feel like, want it all now. And it's not like that. It takes a really long time. So how did you keep going in the face of a ton of adversity?

Matt: I didn't have a choice, to be honest. But here's the thing. I found some schools that got excited about it. And because I'd spent some time in the sales world, it's a numbers game. You know? What you do is a numbers game. Not everybody that listens to this show, or who reads your book, or whatever, is going to be a coaching client, right? Or who's gonna buy your book or whatever; but over time you figure out that if X number of people hear about it, X number of people are gonna buy or become a customer or whatever. It's the same thing here.

And so I got excited about working the numbers and not getting caught up on the nos. Not taking them personally, just going out and doing the grunt work. It's not flashy, it's not glamorous, it's not exciting. But quite honestly, that's what separates the men from the boys, or the women from the girls; it is. And too many people stop way too soon and don't give their dream and their business time to grow. And oh, by the way, it's probably gonna change significantly along the way, as well, from where you thought it was originally gonna go.

If you're not out working, you're not going to figure out that hey, maybe I should make this shift here because you'll never get the feedback you need to make that shift which is ultimately going to take you where you want to be.

Jamie: Exactly. I think people need to hear this over and over and over again. There's a great quote. It says, "Even if you're on the right track, you'll get run over if you just sit there." And this is the sad thing because way back when, if you wanted to buy a restaurant, I remember people would say it's like three years before you're in the black; three years before your profit, which is insane, right?

Nowadays, we can do that so much faster with the internet and everything that we have.

But I just feel like everybody's expectations can be a little off. Because they're like: oh, I made \$10,000 in three months; done, and assume it's this thing. How do you get excited about the numbers? Were you just that type of guy or is it something that is in you?

Matt: Well, the discipline from the military definitely, definitely helped. But once again, if you know what the numbers are, then there's no secret; you've just got to go work the numbers. I think the biggest challenge today is – and the internet is phenomenal but there's also some downsides. Because everybody is broadcasting get rich quick and this and that. Guys, it doesn't exist. It does not exist. There are very, very, very few out there that make it happen overnight. So get committed to the process. It's a marathon, not a sprint. And look at what you're comparing it to.

40 years slaving away for somebody else, working 9 to 5, five days a week, with two weeks of paid vacation a year. Or, you figure it out and even if it takes three, four, five years to do it, which is better, five or 40? I chose three and a half. You took the same path. That's why we're talking right now is because we chose to do what is different. We got frustrated but we decided to do something about it. And I'm sure your business has evolved, Jamie, just like mine has; everybody's will but you've got to stay the course.

Jamie: Oh, my gosh. Thank you so much. Everybody needs to hear over and over – my blog started out as a financial blog, talking about how I paid off debt. So yeah, I totally get it. And this is why I also want to teach my kids younger so that they can take the blows. Because that's the thing in business; it's always sort of an up and down, especially in the first few years as you're trying to get past this. So do you have any advice? Because you've grown so much, it's insane, in that amount of time, right?

Long period of time, don't get me wrong, from ten years from not knowing what you're doing. But what has changed within you as a person, knowing what you know now that you wish you could have said way back when?

Matt: Stop getting ready to get ready to get ready to get ready to get ready and take action. The ducks are never gonna be in a row. The

lights are never gonna be all green. You are never gonna have all the answers. The only way you're gonna get the answers is if you get busy. So start today. You know, I'm the guy that I'll get the grill in the big box, and I'm the guy that'll put it together three different ways before my wife finally comes out and says, "Sweetie, let's read the instructions and get it right this time." But I've learned a ton by getting it wrong three times.

Chris **Brogan** talks about the fact that many of you guys are getting ready to take one shot. In the meantime, I've taken a hundred and all I need is one to go in the basket in order to win. And too many are waiting to take that one shot.

Jamie: It's funny that you say that, too. Chris is actually in Austin today and I'm going to hang out with him after this.

Matt: Oh, I want to come.

Jamie: It's hilarious. But I think that – let me highlight that over and over and over again. Because the people that are sitting there going: great, so I've got this plan. People come to me and ask about ideas and want my opinion on it. And I usually go: that's good enough. And they're like: no, I want you to be like, it's the best. Oh, my gosh, like who knows if it's good enough? You have to put it out there and find out if it's good enough. I'm not your market. I'm not gonna know. I can see if it's a pretty good idea enough to try. Then go, push them out of the nest before they do it. But it sounds like you're that type of guy.

And that's the thing that's really, really amazing. I work with a lot of people that have been in the military, and I think it's a huge asset that most people don't have. Because – and I don't know how they do this because I am not a military but you guys seem that you're excited over the work part, over the small, incremental gain part. What did they do in the military that taught you that stuff? Because no offense, I did not learn that. I was like: man, I want huge numbers off of small things when I first started. Which, you know, it got beaten out of me after a little while but yeah, it took awhile.

Matt: As an example, I was a pilot and I was an instructor pilot for the first five years after I got my wings. So we'd have a six month syllabus. A month and a half into that syllabus, our student is going solo in a supersonic jet for the first time. But they don't know

anything about that jet except for what it looks like sitting out there on the tarmac before that. So first off, there's a bunch of ground school that we go through beforehand. And then once that happens, we go on what's called the dollar ride, which is the very first ride. And on that ride, we get them in the game immediately. So we take off, we show them what take off is like.

And then we pass the jet to them. And then each flight, we have different criteria, different things we're going to focus on to where by that time that month and a half occurs, they have mastered everything along the way to allow them to be safe taking themselves up in a multimillion dollar airplane. It's no different here. You just gotta get excited about the daily victories. Keep a focus on the goal, long term, and you've gotta have those written down and you've gotta have them established. But inch by inch, everything's a cinch; yard by yard, it's hard. You can only eat an elephant one bite at a time. And business is no different.

So I get excited about little victories every day. We're in the process of building some of our social media out, which we've never done before, and some of those things. So this week we've got some goals. They're silly little goals to most people that understand the web space. But I'm an offline guy that is transitioning and working towards being an online guy, as well. And I don't have the expertise that folks like you, and John Lee, and Pat and others do. So we're incrementally adding that on top of what we are building offline.

And I realize in a month or so we'll have that up the way we want it. But it's not gonna be up the way I want it today, and I'm not gonna let it ruin my day because it's not. Because I'm being realistic, you know?

Jamie:

It's funny. I'm trying to get my pilot's license. I'm only a few hours in but the first time you fly, they – like you said, they give you – I'm like, you're gonna let me – like freaked me the heck out. So like getting outside of your comfort zone, huge, right? Like, okay. Thankfully, like, they can stop it or not stop it but you know what I mean. It's not that big of a deal. It's like learning to drive a car just in general. But like when you're up in the air and you feel like you have no safety net, like it is the scariest thing absolutely ever.

Whereas starting a business, I mean it can feel scary. It's that we won't push ourselves to do that, do you know what I mean? So like if I was the person going: oh, no, hand me the jet the first time, oh sure. I would never welcome that on myself but because you had someone, or you were that guy giving it to somebody else, I think that's the thing that's so tough in business. If you don't have a mentor or somebody that's been through it before, they can't tell you the hard stuff to do. Like go do this. And they're like: oh, that's scary. It's like do it anyway. And they're like: okay.

And they'll learn faster that way instead of going – I just feel like in business – and you tell me what you think about this. Because I feel like especially newer business owners, they read a whole bunch of stuff. They're like: oh, I now know all the books, I get all the podcasts, I know all the information; it's all safe and nice and happy. And then they choose to work on their website because they're behind a screen and they don't have to do anything. They update the plug-ins. Hmm, how come I'm not getting traffic? Well, I'm updating plug-ins but that's okay.

Like they don't want to reach out and do the hard stuff. And you're that sales guy. So what do you see now with people – because you're in this space, too, right? So at Podcast Movement and all these things, you see a lot of newer entrepreneurs. Why don't you think they choose to do the hard stuff, or get the people to smack them around to do the hard stuff?

Matt:

Because it's easier to stay where they are. And to be honest, I'm not real bright, Jamie. A lot of this stuff you guys have figured out, I remember reading Pat's blog back when Pat was just blogging before he started his podcast, and thinking about SEO and this and that and all that, and just not – I'm not wired that way. I don't think that way. And so I could take a gumball machine and something physical and put it out there and know, after those first couple of weeks, this is real, you know? But I think a lot of people; too, they're just not patient. You've gotta be patient, guys.

If you want to live a life like nobody else, you've gotta do what nobody else around you is willing to do. You know, it frustrates me in our society because we hear about LeBron James, arguably one of the best NBA players ever, and the cars that he drives, and the house that he lives in, and the clothes that he wears, and all this stuff, and the lifestyle he's got. But we don't hear about the thousands and thousands and thousands and thousands of hours

that LeBron gave up other stuff in order to become a great basketball player.

And it's the same thing with anybody out there. Malcolm Gladwell talks about 10,000 hours. Get excited about your 10,000 hours and just get busy, and you will figure it out along the way. I take guitar lessons from a guy who's a member of the Country Music Hall of Fame. And I love spending time with him for 30 minutes every week. I joke with him, though; that I do my practicing and my lesson at the same time just because I've got so much else going on. But I just love music, and I love doing that even if it's just for fun.

Well, he says any time somebody walks into his shop and says: hey, I've got this song, I want to learn how to play it; how long is it gonna take me to learn? He immediately turns them down for lessons because their mindset is already wrong from the very beginning. You can't count the cost. You just have to be willing to do what it's gonna take. And each of us has our own struggle that we each have to go through. They're all different.

So get excited about going through what you've got to go through, you know? And Jamie is a great example of being able to come out the other side, you know? And many others out there, obviously, across this country and this great world of ours. The opportunity is never better today than it is right now. You just gotta get busy and you've gotta be willing to fail a bunch, make mistakes, adjust, learn, and move on.

Jamie:

I just need to highlight that over and over and over again. Because the thing is, people are probably listening to this while they're on their run, or exercising, or in the car, or driving back and forth to the job that they are not a fan of, right? And hearing that is so important. So I want everyone to think about what is that thing that you can do, that you can really make a difference that adds up?

One of the points that I try and get my people to do, and this sounds like exactly what you did, is figure out what those numbers are. So that way, you can go: okay, this week I need to reach out to this many people. Even if they all say no right now, I know that numbers-wise eventually, because people have said yes before, I'll eventually find those people and then they'll add up and add up. And that's even coming from me, who is not a patient person in general.

Like me working 20 hours a week when my kids were young was not enough, and I always felt like I wasn't doing enough. And it really taught me a lot of lessons, still. I just backed down my numbers on how things could go. So how did you figure that out? Can we just give like a quick snapshot of how they can figure out their numbers so they can get excited over even the nos that they're getting because they're still making progress?

Matt:

The only way you're gonna figure out your numbers is if you go out and start to work them, and then have something to measure to come back and look at. We've got the numbers figured out to what we do to where a new franchisee today gets involved. And we can tell them what they can expect, even if they have no experience in vending or sales or in business. We've figured all of that out. And that's why you get involved in a franchise is because we can teach those types of things.

So the only way you're really going to learn the numbers is by doing it. The only way you know if a Facebook ad is going to work is by testing. And over time, most cases running multiple campaigns, you will figure out what works and then you'll be able to put numbers to it. But every picture changes things, every font, I mean you know. All those things have an impact. And the same thing in offline business, as well. But over time you can do it.

I want to say this, too, Jamie. I didn't start SSV until I was 40. So here I am, 49 almost 50. So for those of you that are a little bit older, man, you can do this. And for those of you guys that are younger, you don't have any excuse. Just get after it and figure it out. You've got a lot of life to mess up before you figure it out and live on that mountaintop someday. But I can tell you, it's worth it. I've got control over my life today. I come and go as I please. I don't have to answer to anybody else. And I'm doing it on my own terms, just like you talk about, Jamie, on your website and kind of all that you stand for, right?

So since I've been able to do that, I love being able to come on shows like this and then through our franchise program, teach others how to do the same thing. Because it's not just me that's excelling in our program, but it's our entire team that's excelling because we've found a system that works in a niche that has a big demand. And so it ends up creating a win-win-win. A win for the schools, a win for the families that are our franchisees, and then of

course a win for this bonehead pilot that figured some things out that nobody else had, prior.

[End of Audio]

Duration: 42 minutes