Jaime: Welcome to Eventual Millionaire. I'm Jaime Masters, and today on the show we have Jason Wilk. He's a serial entrepreneur. This last venture is Dave.com, which helps prevent overdraft fees, which is awesome. His previous venture he sold for 85 million. Thanks so much for coming on the show today.

Jason: Sure, thanks for having me.

Jaime: You're really young for selling a company for 85 million – I'm sure you hear that all the time. How the heck did you get into that one?

Jason: That business – I've been a serial entrepreneur since I was about 19-20 years old when I was living at Beijing doing a study abroad, and I really loved this website called Woot.com, which was like a daily deal site, way before Groupon or any of these sort of flash sale sites. And me being an avid golfer sports guy, I thought how could I take that idea and do it for a different type of audience.

And, so, I created this business called 1DaySports, which was a golf product offered for 24 hours at the lowest price in the country, very similar to Woot. I mean, we even have like a mystery deal very similar to their mystery bag. And that was a very successful business. I ran it from my dorm room and sold that when I got out of school. That was sort of my fundamental learning of – I try to create products by looking at what's in the market and figuring out how to carve your own niche and edit it to make it your own.

Jaime: Okay. So, I also loved Woot way back when – not that I wore very many of the t-shirts that I ended up buying, but I didn't go, "Oh, I should just do this for another niche, and it'll totally make sense." Was it just sort of a lightbulb moment and it just worked like that?

Jason: Yeah, pretty much. I mean, it was a little bit more to that being it's with golf product specifically I found that there was a problem with. There was new stuff coming out every year, but people still wanted the stuff from last year, it just was off the shelf, so, I went to go find distributors who were dying to get rid of that older product still being new, and I could offer that for a third of the price of what the current new line was worth, so there was definitely a problem that was needed to solve there.

Jaime: Oh, that's awesome. Okay, so, let's talk about the trajectory of different industries because you've been in a lot of different industries, and, like you said, you go to try and pick like a gap in the market. How do you pick that? If you could sort of go through some of the companies you've started and how you picked that.

Jason: Sure. Well, the next thing I did was my partner and I started AllScreen.TV, which was a Y Combinator backed company. And we also attracted Mark Cuban and the Kraft family through that as well. And that was a really interesting business because we weren't really solving much of a problem. We were trying to build, ultimately, Twitter for sports betting, which was a totally random idea.

He and I are not sports betters, and ultimately that business was not gonna work out, but we pivoted, and pivoted, and pivoted with the funding that we had, paying ourselves a very, very small salary, and just trying to research whatever we could – talking to people, talking to potential users – and ended up with an online video platform that connects big media companies with small websites who want access to their content and ad revenue.

And it just was a series of ideas that took years to develop, but if you work hard enough at something, and you're completely dedicated to it, you eventually will find your niche.

Jaime: How do you go, though – well, No. 1, how do you pick sports betting when you didn't do it at all, No. 1? And then how does it go all the way from – to video and distribution, because that seems very different?

Jason: It was a long iteration. So, it started out as Twitter for sports betting. We got under Y Combinator. They loved us, but they hated the idea. So, they helped us transition it into more of a way to interact with sporting events, and that's what got Mark Cuban involved. And, so, the idea there was that as you're watching a game, we could send you text or in-app notifications to see like who's gonna score a touchdown on the next play or who's going – how Tom Brady's going to do in the fourth quarter. So, more like less betting – more like real-time fan engagement stuff.

And we did a big partnership with Twitter for March Madness with that game. It went well, but we weren't really sure how to make money from that. So, we thought, all right, how are we going to do this all year round? Kinda like, well, let's take that same interactive technology and apply it to online video ads. We decided that's something we could go to brand and say "Hey, we're gonna let you ask questions and ask these sort of engaging questions over the top of your ads." And we found that that increased engagement by like 10X over just a traditional ad.

So, I started going to New York and meeting with all these ad agencies, and I was learning all about that business, which was really difficult to try and understand not having any experience in it. Ultimately, that was very hard to sell into advertisers because they're just used to buying traditional media and they weren't really seeing any problems with their ads' engagement as it was. Even though we could improve it by 10x, it wasn't really a metric they were going for.

So, then we tried to go sell it to the media companies. So, I met with like MTV, I met with CNN, and said, "Look, these interactive overlays could help you increase your ad sales." And they said, "Look, we don't have any problems with our ad sales. If anything, we don't have enough video views to actually sell the ads against." And, so, that's how we came up with this idea, like, "Okay, well if we could help you build more views, would you then be able to use us?" And they said, "Yeah, if you can help me deliver another five million views, that's what we need. We'll pay you for that."

So, that's ultimately what the business became, and it was just through a series of conversations that helped us understand what people really needed to get there.

Jaime: Okay. So, it looks like you bump into a wall and you're like, "Well, that didn't work." All right, bump into this wall – right? So, you had proprietary software beforehand.

Jason: Yes.

Jaime: So, then you try to take that software and sell it, which makes sense. I have an asset; let's see who I can sell it to.

Jason: Yes.

Jaime: How did you know that that didn't work? Like, how many people did you talk to that they said, "We don't care," before you were like, "We really – this is not the right niche for this," and then ended up pulling out the other idea?

Jason: Yeah. I would say months and months of meetings and talking to people and trying to close business. I mean, it was a lot of work and, ultimately, we couldn't find scale with any of these ideas until we talked to four different customers and said, "Okay, we – all these guys could use this," so, we know that this is something we should go out and build.

Jaime: Okay. And, so, then you had to throw away the previous proprietary software and then build this new video one, or was there any overlap?

Jason: The beauty of it is that my partner and I, we could build all of this ourselves, and, so, that was the saving grace. If we had to like go hire some new tech team every time we had to pivot, it would have been impossible, but really nice when you can actually build and design everything all on your own with your team. So, that made it easy, and we were the only costs of the team – there's just the two of us, so, it made it easy to transition quickly, and it helped find what we ultimately wanted to do.

Jaime: Okay, that makes a lot more sense then, because I'm like, that Y Combinator money, how long did it last – that much, without actually having a business model that actually generated anything?

Jason: Right, but Mark gave us $300,000.00, which in these days is not a huge amount of money for an investment route, but for us that was like a really big deal in 2009-2010. And he was also a great partner to bounce ideas off of.

Jaime: Oh, that's awesome. So, when you kept hitting your head against the wall over and over and over, did he give you any good advice? Because that's the other thing, you probably start to get a little discouraged after months of no's.

Jason: Yeah, well he just said, "Stick with it." He himself used to sleep on couches, and he knows the struggles. So, he's all about just staying consistency and persevere to try and get to that model that's gonna work.

Jaime: How long did it take you to go from Twitter sports betting to actually realizing that you had your first sale on the video stuff?

Jason: I think it took us like two and a half years.

Jaime: Okay. That's a long time when you actually like dial it down – and how old were you, though?

Jason: I was 24 – around 24 when we were doing that.

Jaime: Okay. So, young enough to be like, "Eh, I can bang my head against the wall so many times to see what –"

Jason: Yeah.

Jaime: Which is smart.

Jason: Yeah, that's right.

Jaime: So, take us through the trajectory of once you found an idea. So, they told you an idea that was really, really good. You're like, we're just gonna solve that one and then sell the crap out of it. Give me the growth trajectory of that.

Jason: The trajectory – so, we closed our first 75,000 of business from a friend, who was in the advertising business that took a chance on us, and ultimately we got connected, and we hired a bunch of different consultants to try and save costs.

So, basically just paying people on commission structure, and that helped us really get to a bunch of our early customers, and before we knew it, we had like 100,000 the first year, and the next year we did a couple million, and then the next year we did 8 million, and the next year it was 15, and we were a top 50 company on the Inc. 500 list. That was a really big deal for us. So, it was a tremendous hustle throughout that entire time.

Jaime: Yeah, but you found an underserved market and you served to them, and then you went crazy trying to sell it as much as humanly possible. Now, that's changed a lot. So, when did you actually end up selling that company?

Jason: In 2015.

Jaime: Okay, so, not that long ago either. But you had it during the growth of the video craziness. What made you decide to sell then?

Jason: We felt that it was gonna take more capital and more risk. We wanted to take the business really to the next level. So, we decided to sell to a company who had raised a ton of money, and it was really interested in helping us with that effort while letting us cash out at the same time and giving us some upside if the business continued to do well. So, we just felt that at that time if we could best combine our efforts where a company on a similar trajectory who wanted the business that was sort of best of both worlds because we got to exit but also retain a piece of it in case the combined entity were to really take off.

Jaime: Yeah, that makes it a no-brainer, like, "Yes, please. I don't want to have to deal with the crap of the risk, and I can have an upside. That sounds great."

Jason: Yeah, that was helpful.

Jaime: But then you're like, "Now what?" right? Because entrepreneurs need to work – they need to do something, right?

Jason: Yes, you always have to be doing something.

Jaime: Yes, so, how did you pick this next thing?

Jason: The next thing – going through sort of that after-college, low amount of low salary for those few years, I mean, definitely was hit with a lot of overdraft fees. Being an active Reddit user, people are consistently complaining about overdraft fees. Always been in the back of mind is something that is an idea that's broken and that could be solved. So, I went out and started talking to people about their experience with overdraft, figuring out if there was any kind of commonality for the reasons why it was happening.

And we ultimately figured out that people overdraft because they're unaware of all their upcoming expenses. There are so many things tied to your debit card these days, like a Netflix subscription or a pending transaction you're never actually sure when it's going to go through. And then the other was that people were coming up short just before their paycheck. So, like okay, let's combine those two concepts – that would be a pretty great product to use.

And, so, we decided on the front-end we were gonna be an app that predicts all your upcoming expenses. So, we're gonna tell you when your Netflix bill is due, we're gonna tell you what you typically spend on Uber or Amazon, and let you know how low your balance is gonna get before your next paycheck hits. So, that was like the key usefulness of the product.

The second is that we let people borrow up to $75.00 from their upcoming paycheck, and we don't charge any interest. We just let the user pay whatever they think is fair. So, ultimately, we are trying to build a better brand than the banks by offering these tools that they should be able to offer, yet they don't. And by letting people pay what they think's fair, we thought that's a great way to get in the market and gain loyalty with our users, which has turned out to work really well.

Jaime: But it's only like a buck a month or something like that, too. So, give me like the thought of the pricing structure, because I get the point of – the pain point – that you solve, and the people that don't have any money, you're trying to charge them only a buck, which makes perfect sense. "It's only a dollar – no big deal – one overdraft fee would be this much, so, of course it's not a big deal." But tell me how you came up with that.

Jason: Yeah, the reason why we wanted to charge the dollar was we wanted to make sure people had some skin in the game for the app. Like, you're committing to improving your finances, you're improving to – you're committing to – not overdrafted, so we wanted it to have some way to make money for people that were actually helping. Because we don't want to only make money off of when you're in need of going into overdraft, we want to help you. So, by offering those tools, we thought that – can we build something worthy of a paid subscription?

Jaime: Okay. So, that makes it – so, do you making most of your money on the actual whatever they want to pay you side of things? And do people pay you a lot? What's the average on that?

Jason: Yeah. We don't disclose the average, but that's going well, and the dollar per month is going well, too, and we're about to six figures in paid users in this forum.

Jaime: That's awesome. And it's really interesting that people are like, "I do feel like there's value, and I will pay you something for this loan," even though they don't technically have to? I mean, they can pay a penny.

Jason: That's right. Or zero.

Jaime: So, they can pay zero. So, it's not like you have it a – wow, okay. So, that's a lot of good will also. So, they're actually paying you a lot more than that – or more than that, I should say – to sort of give it back.

Jason: Yeah, but we see that's working well, and we're saving you from – oftentimes, people will overdraft a few times for the same days of transactions, so, it's not even $34.00 we're talking about. A lot of our users are hit with a $100.00 of fees, so –

Jaime: It's happened to me before when I was in tons of debt, I was like, "And now I am like 300 –" It was so many bills that came out on one day, and I was like, "Oh, I had no idea," because the check didn't clear from before. And it's ridiculous the people that have absolutely no money get hit with like $200.00 in fees is ridiculous.

Jason: Oh, yeah. So, we feel that there's a lot of room to grow with other products that people are being taken advantage of yet are willing to pay for. So, that'll be a big – 2018 is gonna be a big year for us.

Jaime: Okay. So, tell me a little bit about what you've learned, especially re-starting again. Because you feel like you knew quite a bit and then we re-start, and there's always lessons learned within that, too. So, give me some ideas on what you feel like you've really learned or could have even done better in these last two years for Dave.com.

Jason: Sure. Well, the last company was nice that we only had to raise one round of funding. So, that was interesting. We got to profitability after those couple tough years of trying to figure out what we wanted to be.

This – Dave's a little bit different. This is a much more high-growth – less focused on profitability in the short term – needs a lot more capital, so, for this company we raised our C, and then we just raised a big Series A. Series A is – it's a challenging – that's a much more sophisticated investment, and you need to be much further along if people are expecting a lot more. So, you really – that took about a hundred meetings to try and get that deal done with over like 40 investors. So, ultimately we ended up with a fantastic group, which we're thrilled with, and – but, yeah, that was a big change from the last business.

Jaime: Well, and it's really impressive that you say that, too, because a lot of people are like, "Well, he had Mark Cuban back him before, so, of course he's got the network of everybody. It shouldn't have taken him that long." Right – because everybody believed in you? Yeah, tell me more about this.

Jason: Investors to me – look – they're very appreciative of your returns from the last time. Generally that means they'll invest again, but Mark's a savvy guy. He's – he also took some selling for this product to get him – it was a totally new idea. If I were to go do another advertising company, I'm sure he would have given me a check right away, but I told him I was going into consumer finance, which I had zero experience in, so, yeah, he was hesitant. It took some selling to get him to invest in this one as well.

Jaime: And the name-dropping and all that fun stuff, right, from before? It still took a hundred meetings either way, even probably when you had him, it's not –

Jason: Yeah, it was incredibly difficult. I mean, it did matter, and –

Jaime: So, I say that because a lot of people that are naïve to raising any sort of capital, they're like, "Oh, well once you get one, then you get a bazillion, or it doesn't take that long, or –" You know what I mean? Or once you've had success because you've had success in selling a company –

Jason: Well VCs are so data driven. They're not necessarily such idea guys, and, so, they tend to have data that a repeat entrepreneur does not necessarily mean that you're so inclined as to succeed again. Sometimes they think the founder's like too comfortable. We heard that feedback a lot like, "What's your risk here?" They want you to really have a significant buy-in to the business. So, yeah, it was no walk in the park to get that next round of funding done.

Jaime: So, when you heard all those things about how, "Why are you going into consumer finance instead?" Why didn't you just do an advertising company instead?

Jason: Honestly, I like to build products, and I really wanted to build something more consumer-focused this time, and I like learning new things. So, it was – it felt like a great opportunity, great industry to get into. And, look, if you are committed to learning anything, you can get there. I mean, even college education – your major is only actually a few classes, so, why can't you spend six months studying up on industry you undoubtedly or actually could be learning more than most students would be who majored in that subject.

Jaime: Do you still code any of the stuff, or are you completely out of that game?

Jason: My partner does.

Jaime: You – oh, really?

Jason: Yeah, he loves coding. Loves it.

Jaime: That's always good to have one of those. Okay, "Now change this. Now fix this. Now code there." And we don't have to pay a ridiculous amount for – I mean, people that know their worth on that space is a lot of money for a brand new start-up usually.

Okay, so tell me what you see for the future for this one, because especially on the growth. Because you grew so much from beforehand and now you have tons of investment, I would say, right? And now that you've got that – so, what are – what's the growth structure for you guys, and what are you planning on doing to really make it big?

Jason: Well, for now in the next 6-8 months, we're gonna be improving the home page or really help people get more involved with their paycheck-to-paycheck finances. We feel that the budgeting atmosphere out there is – there's really nothing that compelling, and it's difficult to use. So, we are going to be focusing a lot more on the front-end tools. And the future – we're not sure after that exactly.

Jaime: So, why was it called Dave.com? Like, why Dave?

Jason: Well, Dave, we're trying to humanize the brand because people – their loyalty to big banks is so low at this point – that we wanted it to be very – like a friendly product.

One of our advisors, when I was in Y Combinator, was the founder of Reddit, so he was all – he was very adamant about building brands that were these like cute characters, so he was – he's the guy that designed the Reddit alien. He did the chipmunk for Hipmunk. And so his **[inaudible] [00:20:22]** inspiration there was – so, let's make Dave a – some kind of animal. We thought that would be the best. And ultimately we wanted to be sort of bearish not bullish with their finances, so we said, "Okay, let's make it a bear." And Dave's this cute bear.

Additionally, we let people borrow only up to $75.00. You could borrow as little as 20. And, so, there's really no place you can go to borrow that little of money, other than going to a friend or family. Friends or families don't generally charge you interest, so, a lot of that had to play into the fact that, like, we're going to call this a Fragger family name. Dave seemed like a name that everybody knows someone named Dave, so, it's sort of perfect.

Jaime: Yeah, but you picked like a four-letter domain – like that, I'm assuming would have been more expensive than, I don't know, Chelsea, or something. Not that you would have Chelsea, but you know what I mean. Why go down that path –

Jason: Yeah, well, we decided on Dave before we actually bought the domain. I mean, we just like were sold on the name Dave before we bought it.

That came later after like emailing the guy who owned it like a dozen times. Never heard back – and finally I just started like sending him prices over email saying, "All right, we'll pay you this," and no response, or "We'll pay you this," and no response. And finally we got to the certain number that he responded. Out of the blue, he's like, "You're close but not quite." And then we ended up getting on the phone – he was a super nice guy – and he just had owned the domain since 1994, and he wasn't really like a domain holder. He was a guy named Dave that owned Dave.com, and we were able to convince him to part with it.

Jaime: Did in any of those emails that you sent him over and over and over again did you just think about maybe I should go with Fred.com or something that's not Dave? Or were you all honed in on that no matter what?

Jason: Well, that was ultimately our negotiating tactic, again, was that we could easily just go with some other name. I mean, "What are you really going to do with Dave.com if we don't buy it?" I guess some other start-up named Dave comes along and – who knows when – but, yeah.

Jaime: Good. Go you for doing it over – and that's I think one of the main things of stubborn entrepreneurs. Our stubbornness is great for emailing people over and over and over again and getting what we want eventually, right?

Jason: Yeah, that's right.

Jaime: What would you give for advice for people that aren't really good at that yet? Because I find a lot of people are not very good at pounding the pavement, is what I call it.

Jason: I mean – you just – you can't be afraid of doing that. I find that LinkedIn – that premium tool – is a fantastic thing. That even if you're not great at negotiating, it's a good way to just email anyone who you think could be helpful for your business or could be there to close a sale or some new hire you think could make your business a lot better. If you want to be an entrepreneur, you have to be willing to talk to as many people as possible.

Jaime: Okay, give me some tips on those emails, because people are like, "Give me a template. Tell me what to say. I feel like nobody responds. Is it what I'm saying? Or is it that they just wouldn't respond anyway?" Give me some tips on cold emailing, especially LinkedIn contacts.

Jason: Well, I mean, I met Mark over a cold email. He was at a conference – a TechCrunch conference – and he was on stage giving a keynote speech about how to get him to invest in your company. And at that time, he wasn't really doing much of the angel investing. Now, of course, he's all over the place. But one of the ways he said is like, "If you send me an email, make sure that it's short, concise, and bulleted, and let me know why you think I'm the right person to invest in your company." And, so, that was sort of the exact approach that I took with him, and it was working. Other than that –

Jaime: Did it take one email to him because he was waiting for the emails from the speech or something like that, because usually it's not a one-email thing, especially with Mark Cuban nowadays?

Jason: Well, there's a little difference, though. At the time, I was actually writing my own tech blog, and I wrote an article about that topic he was giving. It was called *The Ten Ways to Get Mark Cuban to Invest in Your Company*. And I'd emailed him that article.

And that's how we kicked off our relationship, because he appreciated that piece because it got quite a bit of traffic from Reddit and from Dig at the time – when that was popular – and ultimately ended up seeing him out later that night at the W Hotel bar, which is like the after party of the conference, and I went up to him and let him know that I wrote that article, and he was very appreciative.

I told him I was an entrepreneur looking to start a new company and would love to work with him in any capacity, and using the same email tactics he recommended to the audience. That's how we started hearing – engaging with him over the next couple years until he wrote us a check.

Jaime: Okay, so engaging over the next couple years – so, like, randomly sending things that you write about him? What do you actually – what does he care about, as far as in those emails?

Jason: Well, it's a simple like, "Hey, here's an idea I've got." Like even **Kapuiska**, I wrote him, I say, "Hey, what do you think about this idea?" Just almost for fun, because he loves going back and forth about ideas that he can sort of have a hand in or give his criticism or approve on. So, that's basically what it was for 12-plus months, and ultimately when we got into Y Combinator and raise some money, I said, "We're going to do a little bit bigger of a round. How can we get you to do this?"

And my tip for any entrepreneur would be to try and get an investor to have some sort of buy-in on the idea – like be flexible on what your approach is to the problem, because ultimately if you can get them to contribute to the idea, they feel more ownership of it. So, they're going to ultimately be more inclined to writing you a check if they feel a bigger part. Not just they're giving you money for the idea that you came up with – they want to feel that they had a hand in it.

Jaime: Do you think it was the time from when you met him and saw him on stage and building that relationship that really solidified it for you of actually getting the first investment check, or do you don't think that it had too-too much to do with it?

Jason: Well, I think he appreciated my hustle. I mean, he knew that I wasn't gonna quit because I consistently sent him notes, and he could tell that I really had a passion for this. It wasn't like I was just trying to grab his money. He knew that I was willing to make it work and go out. I think he appreciated the fact we were sleeping on couches and that we weren't looking for big salaries and we had no push-back on any of those things that he had as criteria, so, it was – it wasn't easy, but when we prevailed, he was a great partner.

Jaime: Were you always like that – like a hustle – like you just do what you gotta do – you email as many times as you need to? Or is that learned?

Jason: I mean – I kinda owe some of that back to sports. I was a golfer growing up – a very independent sport – you have to – and no one is telling you to go do anything. You have to practice on your own. You have to personally improve. So, I think a lot of it is it comes from that. You have to have a lot of sort of independent perseverance and will to get better, without somebody telling you to do so.

Jaime: That's awesome. Good. Everybody do golf – that's the learning lesson.

Jason: Yes, golf. Go golf.

Jaime: So, we have to start wrapping up, and I'm gonna ask the last question. So, it's one action this week to help listeners move towards their goal of a million.

Jason: Hmm – one action this week to move towards a million. Get out there and start talking to potential customers. I mean, that's the best thing you could possibly do is talk to customers. If you're working at a big company, figure out what the big problem is there. Start talking to your co-workers about any pain points.

The best ideas generally come from having a personal experience, not just from some lightbulb that goes off in your head from some random idea. I mean, yeah, that works for like Snapchat or Facebook or something, but most things like Slack, or Yammer, or a lot of these billion dollar companies, they're born because they grew out of a necessity inside a current workplace. So, I'd say, have your ear to the ground and look at your surroundings.

Jaime: I love it. Thank you so much for coming on today. Where can we find out more? Of course, everybody knows the website Dave.com now because we said it so many times, and it's really easy to remember. But where can we find out more about you online and what you're up to?

Jason: I would just say keep updated with Dave, and we're gonna be having constant improvements there, but, yeah, I don't keep a personal blog or anything anymore, but that's probably the easiest way.

Jaime: So, everybody just get Dave, and pretend that it's Jason.

Jason: Right. That's right.

Jaime: They'll forget your name. They will only remember Dave.com. Thank you so much for coming on today. I really appreciate it.

Jason: Yeah, thank you, Jaime.

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Duration: 30 minutes