Jaime: Welcome to Eventual Millionaire. I am Jaime Masters and today on the show I'm so glad to have my friend Dan Vega. You can check him out at danvegabusiness.com. Also, mostly because he's a serial entrepreneur and has so many businesses I couldn't list all of them, like a publishing company. He's got BLU television. He's got BLU university, all sorts of things. Thanks so much for coming on the show today.

Dan: My pleasure, Jaime. Thanks for having me.

Jaime: I love serial entrepreneurs who when I try to look at the bio, I'm like, "I'm just going to say serial entrepreneur and mention a whole bunch of things because a whole lifetime in one little intro is always difficult." So, how did you end up creating these businesses because normally we'll go out and do one. But you have so many. You didn't create them all at the same time I'm assuming. You tell me.

Dan: No, a lot of it was part of a journey of I had need that I had to figure out and satisfy. And once I figured it out, I'm like, "Hey, this solution really works for me." And eventually turned into a business. So, I didn't set out to start all these things, but through my journey I put together some components that worked, and eventually they became businesses.

Jaime: See, I find that so interesting, especially because you see opportunities and you want to solve problems, right? And everybody else has this problem too. So, why couldn't you find something like that in the marketplace already. Why did you have to sort of go and figure it out yourself?

Dan: There probably was other things in the marketplace. One of my mentors years ago, he told me that one of the big mistakes that entrepreneurs make is they look for opportunities to make money. And sometimes that can actually be a curse because we get pretty good at identifying, "Oh, man. I could make money there. I could make money there." And after awhile it's easy to get a lot of balls in the air, just enough to distract us from being good at anything. So, his advice was, "Look for a problem to solve, and if you can solve it well chances are a lot of people have that need."

So, when I would run into an obstacle in my own career, I would just – I didn't really look out at what was available or not. I just looked for how to solve it. And if I came up with a really great solution after a while, I found myself giving advice and helping other people solve it. And then I'm saying, "I should monetize this and create a business after it." And that's kind of how it happened.

Jaime: Like I already solved the problem, I might as well make money from it so it's not just for me. That's awesome. Well, you have a crazy background too with mathematician and all sorts of stuff. So, can you give us a synopsis of sort of your upbringing so we can be up-to-speed?

Dan: Sure. So, I'm really not that smart of a guy. I think that – I honestly believe that luck is a lot of success. I think timing, standing in the right place at the right time. I know a lot of people would say there is no such thing as luck, you make your own luck. But I do believe that I've been fortunate many times of just being at the right place at the right time. I was raised in the Los Angeles area. Both of my parents really never had a lot of financial success. And it was a very abusive kind of alcoholic situation.

So, I have a condition called synesthesia which is very similar to a form of autism. And because of that I have a very high inertia towards mathematics. And so, when I was very young, one of the universities in California asked me to kind of live part time on the campus which was a great exit strategy out of my situation. And because of that one thing, very great people took an interest in me young and wanted to mentor me, and I would help vector business plans, or I would help make sure their math was congruent in whatever they were trying to do.

And by the time I was 18 or 19, they were passing me to all of their friends, and I had to hire like an assistant and basically it was like the running joke of before any of the big companies in Silicon Valley or the big companies in LA have their mastermind groups or vision things, fly down to Covina, California and see this little kid to make sure it's right. So, that was how I got my foot in the door certainly. And because of the education I learned from many of those people and because of the strategic alliances I've been able to develop of course is the reason for my success for sure.

Jaime: Wow. How did you leverage those too? Because if you're a young kid and people are coming to you, that's one thing. It's another thing to ask them for advice and leverage that advice, or like you said, strategic partnerships. How did you learn to go ahead and do that?

Dan: That's a really good question because I was like 17, 18 years old. I looked 15. So, I'm showing up in these big corporations with all these guys in suits sitting around a table. And I have like acne. I'm like, "Hi." It was really weird. And so, I think in the beginning one of the keys was just being really vulnerable and being transparent and saying, "Look, I have this thing. I'll be glad to help in any way I can. I'm young, so anything I can learn from you, that would be amazing." I just kind of took that approach. And I think a lot of people just kind of adopted me so to speak.

So, early on that was thing. But what I also learned was these are also businesspeople that don't like you to call in favors or to leverage them. So, what I would do is just try to provide value and fulfill what I promised to them. But I wouldn't ever go back to that well. I would just try and maintain friendships and provide value. And then as I got a little bit older, I could call this person now and say, "Hey, I want to sit down with you and talk some business." And it was more like an equal footing as opposed to the way things started.

Jaime: Well, that's the thing. Being a younger kid and if somebody even gives you some advice, you're like, "Wait. Wait, tell me more," and keep pulling on it, but then you could potentially not burn out relationships, but you know what I mean – take more than you are actually giving back. So, tell me more about how you determine that. And then how you determine whether or not it's okay to ask. You're like, "Did I given enough?" Because there's always this give and take and especially in this business and online world it's like, "Well, they didn't do anything for me. Why" – right, there's this whole give and take kind of thing.

So, what is your philosophy on all that?

Dan: You know I think that so many people are – despite what they preach, I think they are always asking for business. I remember interviewing Brian Tracy several years ago and his whole theme was, "We have to ask five times as much as anybody else. Constantly ask and push the envelope." And if you ask 500 percent more, you're going to get 500 percent more. And I certainly understand the logic in that, but I think today with social media and everything so instant, you have to cut through all the noise. And I think that the wrong strategy perhaps is just asking.

I think that for me I just sit down, and I figure out – if I'm making a new relationship, I'm truly thinking how can I provide value to this person. And I let them in, and I let them know what my values are – my personal values are. And one of the rules that we talk about and one of the rules that we practice is having a certain type of an exchange rate. So, if somebody shows me a lot of value, I try to give abundance exchange, right? And I think after awhile they kind of adopt that philosophy and so we don't have to worry too much about the nuts and bolts and how we're cutting up something.

But I don't really go in with, "I'm going to cut out 20 percent of this or that." I really go all in of you have to provide value and get people used to it. And when people kind of get to that place where you're now a trusted resource then they'll want more and they'll reciprocate, and the monetization will be there.

Jaime: How do you deal with people asking you when you feel like they haven't given you enough, right? Especially you're a successful business guy. I'm sure you get asked all the time. And you don't just randomly give to them also. So, what do you do in that situation too?

Dan: Honestly, for my personally, I have vetters. So, I don't make it easily – I'm not super accessible. So, when somebody wants to come back to the well and they're like, "I have another deal that I want to pitch you on," and the first thing we did I didn't see a lot of value, I generally am not going to sit back down with them. So, I'll have people that, "So, what exactly do you want to talk about? What exactly are you wanting to present? What are you after?" And then I can easily say, "Not interested." And so, I don't let them -- the biggest commodity that I'm always trying to fight against is how to get more time back.

So, and the other thing is that I'm not trying to find any more opportunities, I'm just trying to focus on scaling and growing what I have and making a broader impact at this point. So, people that haven't shown me a lot of value in the first time around – even if I have to walk away and take a loss, I'm okay with that. But I'm definitely not going to go back and let them go back to the well.

Jaime: Right. Good thing. He's a smart businessman, right? Especially with math on your side. When you are looking though at the discernment – sometimes you meet people – the reason I'm asking all these questions is strategic partnerships could be amazing for people's businesses, and I know people, clients of mine, that don't even want to ask, that don't even want to approach because the scared part is there. That's why I was asking that piece. But then it's like, "I want to ask them, but I'm not sure if they're going to be good or have integrity.

I know so many people who have gotten burned, right? How do you actually pay attention to discernment? Is it gut? Is it math? Like how do you go after that?

Dan: Initially it's gut for sure. I've learned over the years to have a good intuition. And I think that's something you can develop. And every time I go against that – I have like red flags going up and I'm like, "But wait." And I try to go against that with logic, it comes back and bites me. So, initially it is definitely a gut thing. But once we start getting into brass tacks and they are saying, "Here's what I can do, and I can bring this to the table." Then I'm going to look at it, and I'm going to measure it out. And I'm going to find what I call, "The probability rate."

So, most things are possible. I don't care too much about what's possible. I think most things are possible. However, I look at my probability rate. And I actually have a calculation of how to find what that is. So, if somebody is saying, "Dan, I want to go into business with you, and here's what I want to do," I have a very fixed metric of probability that I need to pull the trigger and go in. So, as long as I think their integrity is there and they have good values – if that's there, then I'm all in right away.

But if it's not, I'm just going to simply pass and say, "Look, I can't add value. This isn't the right thing." But I want to see – I don't need a perfect scenario where all the stars line up where there's zero risk. Because that's one thing about some people, small business owners especially, they want no risk. And what I've learned is no risk, no reward, right? I'm okay with risk completely as long as it is calculated risk and it's not emotional risk. But I do want certain probability rates.

So, I need to know that this is a probable outcome. It's not guaranteed, but it's probable. And then I'll go all in.

Jaime: I think that it's awesome that you said that business owners don't really like risk. I agree with you. I know entrepreneurs are like, "All entrepreneurs are super risky." And I've been doing these interviews for a long time, but not very many of them are like, "Let's just throw money at that. It's a great idea." It's calculated. So, how do you actually calculate what risk is worth it for you? Especially for somebody that maybe has gone only a little far in as far as riskiness.

Because it sounds like you have a pretty good risk threshold.

Dan: You know first of all; I only invest in things that help facilitate my vision. So, I learned a long time ago that I have four or five lanes that are really effective in and that actually facilitate my vision. And when I get out of those lanes, it does not work well for me. Even if I'm able to make money, what I notice is that my quality of life goes down. So, for instance, a few years ago some doctors approached me, "Hey, we'd love to be a partner with you. We're going to create the most cutting-edge wellness center. We're going to create a custom line of nutrition and vitamins and we're going to – and we're going to have doctors and athlete people and this and that."

And I kind of got sold – I'm not a health guy, that's not my thing. But I'm like, "That sounds amazing." I went in and I put the money up. We actually made it the number one wellness center in our town. It became really amazing. And we made money, but it was like the one sense of dream that I had with my whole business. It was like that one thing. And what I learned was I wasn't in the right lane so even though dollars and cents wise it was a good decision, my quality of life and my job went down.

So, I decided to sell it off and just get back to what I like and what I know. But I want to be in lanes that not only I have passion for but help facilitate my overall vision or else it's a distraction to me even if the dollars and cents are in my favor. Second of all, I look at – so, when I'm looking at a business to invest in, whether it be time or money or both, I need a certain probability rate. And most people think that it has to be like a $0.90 likeliness of hitting. But in actuality, I need a probability rate of about 12 to 17 percent --

Jaime: What a speculation. Yeah, I want to –

Dan: It sounds really low –

Jaime: Yeah, it sounds super low.

Dan: So, you probably know this from experience, Jaime, is most people that are very proactive, and they are studious, and they are very assertive at whatever, they can probably become somewhat of an expert in most fields in three to six months. Now you can't be a brain surgeon, there's somethings you can't do. But if you are looking at saying, "I'm going to get into this new field, I don't know a lot about it. But I'm going to go all in. I'm going to go listen to the one percenters that have podcasts and are writing books. I'm going to really immerse myself."

Probably in six months they can be way above the fold, right? And so, what I learned is 85 percent of the world – and I'm not trying to be derogatory, but 85 percent is people that are just kind of like stumbling through life. It's the herd, right? So, they are going to a place every week. They're doing a bunch of things. They get a thing on Friday. They spend the thing, buy things, go back to the thing. Like there's no rhyme or reason. There's no really passion. It's just kind of a wheel, right? 85 percent of the people that run our lines, the services we take on, it's just the people that are going through that – the herd.

So, to get above the herd, there's really no attrition. It's just being studios and maybe investing in $200.00 worth of books, maybe listening to some podcasts and a little bit of mentorship. You can get above the herd pretty easy. Now the top 15 percent of the field, that's where all the work is, right? So, going from the top 15 percent to the top 10 percent of the field or the top 10 percent of the 5 percent of the field, exponentially more work. So, when somebody comes to me and they have this business plan and the pitch is always, "It's a multibillion-dollar industry. And if we could get one percent of one percent, we're going to make all this money."

I'll listen. But at the end of the day, I'm saying, "For them to make – for us to make the amount of money they projected in the timeframe that they've said in the field that we're discussing getting into, where would that put me in the industry?" Like, would that call for me to be in the top 10 percent of the entire industry, the top 20 percent of the industry? Would it allocate me to be in the top one percent of the fricking industry? If it's somewhere in the top 10 percent or higher, I bet on myself but even with my own money and time, the probability is greater than 90 percent that it's going to fail or we're not going to hit our marks, I'm out.

But if it's like, "Dan, we can make this much money in this time frame in this industry," and after doing due diligence and research I'm like, "To do that we'd only have to be in the top 18 percent of the whole industry. I'm all in." Because I know that just to get above the herd, the 85 percent, is just studiousness and being proactive and doing a little put of studying with very little investment. And then the top 15 percent of the field is where all the work is. So, as long as I feel like the money they are promising me, the time frame and the industry – all those things don't equate for me to have to be more than the top 10 percent of the field, I'll usually go in with time and money.

And there's a real simple – you can do a week's worth of research to figure that out. So, to give you a for instance, I look at this before I get into anything. So, if somebody says, "I want to be a beautician. I want to be doing hair." That's great. I always encourage people to follow their passion. But the top 10 percent of the field of that whole industry only makes high five figures. That's the top 10 percent. So, I would think about that before I even got in the field. Now one percent is the Vidal Sassoon, they're making millions.

But if you are the top 10 percent, you are only in five figures. Man, I'm going to have some pause. However, there are certain industries like the water business or even the soap business. If you could even get into the top 22 to 25 percent of the industry, you are in the sevens, right? So, you don't even have to fully get over the herd and you're a millionaire. So, I look at the industry and probability rate, and then of course I look at the person and their values. So, when I'm vetting a company, largely what I've learned over the years as an investor the hard way, is largely you are investing in the person, not necessarily the plan.

So, it's largely their values and then their ability to implement and execute. If they can't execute at the end of the day, it's just vision. So, largely – sometimes I'll write a small check where I'm looking at the person, and I say, "I see flaws in the plan, but she's a diamond in the rough. So, I'm going to go ahead and get in now because even if this didn't work, I know exactly where I want to put her." It's worth the investment for me.

Jaime: See, okay. We're going to unpack that a little bit. Because I think everybody that is listening right now is going, "Oh, crap. Was my business in the 20 percentile or is it – how much work do I have to do?" Because it's the work of the owner, right? The great thing about your methodology is that you are investing in someone else, right? But if they're like, "Oh, crap. It's me, and I have to do all this work myself. Let's see where we are it." So, can you give us – is this a simple enough equation for you to actually tell us how to do it.

Or is it one of those things where we have to be like – go back many, many years and hire your 16-year-old self in order to get this thing?

Dan: No, it takes research. So, it's not anything profound. Anybody can do it. Let me give you a real live scenario, and then you see if – let's just run through this together. Okay? So, I was talking to these guys in St. Louis, Missouri – and I like fixed variables. I like fixed things. So, they said, "Dan we want to this. We want to" – like two hours of talking, and I still didn't have clarity of what the objective is. So, I finally said, "Look, man. How much money do you guys want to make?" Here's the hard variable, write this down. They said, "We want to make a million bucks and the timeframe is 12 months. One million in profit, 12 months."

I love this because I'm looking at this now like an equation. It's starting to almost be an equation. So, there are three fixed variables. One is a million, 12 months. The third question you have to ask is what industry? They said, "Well, currently we're in the mortgage business." So, those are the first questions I ask of anybody. How much money – they are pitching me on a deal. I turn it back and I say, "Hold on for a second. How much money do you want to make?" I identify – that's the first question.

The second question is what timeframe are we going to make it. The third question is what is the industry? Now I have an equation that I can start working. Those are three fixed positions that I need right away. So, these guys said mortgage industry. And now the way I look at it is like a triangle. We have a million bucks, 12 months, mortgage industry. Question four is, if I made a million dollars in 12 months in that industry, what percentile would that allocate me to have to be in the industry.

So, based on some simple research on the internet and then we actually had to attend a mortgage convention in Las Vegas where all the hitters were. By the time we left that convention, we knew very solidly that if you make –

Jaime: Oh, no.

Dan: You got me.

Jaime: It was perfect, and then it completely went out. Okay, so we can pick it back up. So, you were saying that you went to Vegas. And if you make this much – and I was like, "Oh." And then it totally died. So, if you could start there that would be amazing.

Dan: Okay. Yeah, so they gave me three things. And so, what I learned – after we did our research, if they make $250,000.00 in a year, they're in the top 10 percent. If they make $500,000.00 in the mortgage industry, they are in the top four percentile. And to make a million of profit in the mortgage industry, they are not even at one percent, they're well into the one percentile. So, the question becomes, "Is it possible for these guys to make a million in the mortgage industry?" Of course, it's possible. But the probability rate is less than one percent. It's like 99 percent chance of failure.

So, told them. I said, "Guys, we have to unfix one of those three positions. So, will you take $250,000.00?" "That's not a variable we want to move." "Can we stretch out the timeline from 12 months to 18 months?" "No." "The only other thing is we have to switch fields and get into a field that plays to your strengths that give us a better probability rate somewhere around 12 to 18 percent." We wound switching fields, and then they wound up being able to hit their objective.

So, when somebody tells me, "Dan, we're going to make this much money, this timeframe, this field." Sometimes that equation is not equatable. So, the way that I would look at it is they handed me three threes and they said, "Dan, make it 11." No matter how good I am, I can't. I have to move one of those into a five or at least two of them into a four. I have to move those variables. But I can't leave all of them fixed and get – because it wasn't equatable. So, based on some simple research, you can do Google searches saying, "If I make this much money, what kind of percentile am I at?"

And that will tell you if you should even proceed in the field or not.

Jaime: That's really interesting though that they were willing to switch fields completely – because usually people are stuck on their idea. Like, "It has to be this idea." They must have been so stuck on the timeframe and the money that they were open to the different industry. That was really impressive.

Dan: Well, I think what got them to it is I said, "Guys, even if Warren Buffett came here right now and said, 'I want a fourth partner. I want to make you the partner.' Before we even get our business license, I want to be honest. We have greater than 99 percent failure rate. It's less than 1 percent that will make it. How much wind would that take out of your sails?" Right? That's how I look at things going in. If it's calling me to be in the top two percent of the whole field, I'm out even though I would bet on myself, the probability is just not good enough for me to put time into or resources.

Jaime: That makes logical sense which I really appreciate. And where does gut come in? So, if you gut check when you meet these people initially, do you guy check at all afterwards too? Or is it all logic after that?

Dan: I think gut is in the beginning when I'm vetting them as a person. You know what I mean? I look at enough nonverbal communication and I look at a certain indicator – and of course we have three types of data, right? So, we have historical based data, present based data, and then future based data. Right now, I can't look at future based, but I can look at present based track record and their track record historically. So, I want to know, "Is this person a winner? Can I bet on the person? And what's their integrity like?

That's what I have to look at first. Here's the other big keys to my success is also struggle. I'm hesitant to do business with people that haven't failed a lot. Okay? Honestly, because if you step up to the plate and hit a homerun every time, you'll make some money, but you don't learn much. When you really become a great entrepreneur in longevity is when you get knocked in the face and life hits you and you hit the fricking dirt. And you don't know what to do.

You're just like – that's when you can grow five or 10 years in six months because you have to acclimate to the situation at hand and survive it. So, people that haven't had great failures and overcome them, I'm very leery of. Because I know that success comes in waves sometimes. You'll have high tides and low tides. And at some point in their career, they are going to get a low tide that will clean their clock. And I'm okay with that, but I want to know that they know how to survive it, and they have the wherewithal.

And they also understand causality. They also have to understand cause and effect. The guys that have had it, lost it, had it, lost it. When they get their clock cleaner, they are like, "Oh, that sucks. But I know exactly the actions I have to go back and do to recreate this condition or this reaction. So, I've just got to put my head down for another year, and I'll have it back." They understand that. Whereas a person that got in from a fad or timing or the right last name or whatever, once they get killed, they have no idea how to go back to that condition.

So, I look for people that have not only skills sets and experience, but wherewithal. In my opinion one of the only ways to get that is through our great failures.

Jaime: Which makes everybody that's struggling right now feel way better just so you know. And the funny thing is that quite a few people that I interviewed just today have had multiple bankruptcies. Right? Which we're trying to resist or avoid as a business owner. We're like, "That's the epitome of what failure is." And what you're saying is it is actually a gift. And that's what they were saying too. It's way easier for us to see it just as, "Oh, that's cheeky. That's sweet that he says that. That's great. I mean that's great for him. But I don't really want to go through that." Right, because it's painful.

So, how do you feel like people learn within the struggle? Like not just the tactical side like I need to do these things better. But do you feel like it compresses growth or – you're saying you can sort of take five years and go into six months. Evolutionarily as a human do you think they grow also?

Dan: I do. I think that when people survive something like that, I do as a human, I do think they grow very rapidly. And I think if you look at some of the titans out there. They've become those people much because of the challenges they were able to overcome. However, I do think that small business owners, many of them never grow. And one reason why – they experience failures just like everybody else. But they don't have measurement systems put into place to where they can look at, "Okay, here's where I was last year. Here's where this happened." Or, "I just launched this program. Here's what worked, here's what didn't."

They are just trying stuff and throwing more stuff against the wall to see what sticks. But they're not measuring. I've had things where my initial gut feeling was that didn't work at all, but then when I went back and looked at the math of it, I'm like, "Wow, that actually worked much better than I realized." I was just so emotional about it. And I wasn't measuring. You know what I'm saying? So, I think that's very important. The other thing to think about is the difference between a small business owner and a true entrepreneur.

You mentioned an entrepreneur. I was asked that recently, and I think there's a few answers. But I think the big answer is a small business owner, at the end of the day, they build themselves a job. So, even though they are writing their own paycheck at the end of the day, and they technically are their own boss, they're the first one in and the last one to leave. They pay themselves last. And they built themselves as a cog in the machine. They have duties that they have to do. And so, there's really no exit strategy.

I mean if we're being 100 percent honest, most small business owners exit strategy is, "Find some sucker to buy this thing or build as much cash flow as I can because likely when I sell it, they're probably not going to be able to keep up what I did." Because they are a dynamic person. So, one time out is probably going to go to crap, so build as much reserves as they can. Whereas an entrepreneur going in, they don't mind getting their hands dirty for the first three to six months and being hands on.

But from day one, they're thinking, "How do I put systems in place? How do I measure so right within six months it's automated and I'm not built into the thing?" I think it's a completely different mindset, you know.

Jaime: I completely agree. Let's dive into that. I work with a lot of clients – business owners, and we look at their org chart and they are wearing many of the hats. And they know systems are important, and they know metrics are important. And maybe even they look at one once in awhile or sometimes they have their heads in the sand for sure. But when they are in that space of just trying to make enough. There's always that, "I'm just trying to make enough so I can finally feel safe. I can do this or that."

It's very short sighted. At least in my opinion, it's very short focused. How would you tell them to start really opening up and being more okay with some calculated risk to be able to get themselves out of that position?

Dan: Well, where that problem stems from – and believe me, I've been there. It stems from a lack of trust. So, it's partially a lack of trust in others. So, even though they know systems and they say, "We have systems." They're putting it on their shoulders to implement the systems and then go back and make sure the systems are working. So, timewise it's just like doing them yourself, right? So, it's a lack of trust in letting go. And sometimes it's also a lack of trust in ourselves when it comes to accepting risks.

It's like I'm getting ready to go up to the next threshold on fixed overhead. What if? Right? So, I think that's where a lot of that stems from is trust. The other thing that I think – and this was a hard lesson for me. There's a very successful friend of mine, his name is Meir Ezra. He's a Sheik billionaire from Israel. And he's a phenomenal guy. I'll have to get him on your show. And he asked me onetime. He says. "What is the founder's role?" And everybody has answers. But what I learned was the founder's role is not to run a successful company at all.

The founder's role is to have clarity of vision and then to think about what types of systems would actually have to be put in place to accomplish the vision. It's not necessarily put those things into place. But it's to think about what types of solutions are necessary to accomplish what I see in my head. And then they find a right-hand person, like a vice president or some type of an operations manager, to carry the stick and say, "Dan, what are you seeing in your head? Talk to me."

Then they take what's in that person's head and they implement it. But we aren't supposed to carry the stick. We're not supposed to actually implement those things. Now, the argument can me made, "I'm a wild one-man band. I'm a small business. I don't have a team yet." Totally understand that. But the other job of a founder is to grow the asset. So, I always tell small business owners one of the biggest mistakes that small business owners make is that they get so busy running a successful company, nobody is actually growing the asset.

So, there are a lot of companies that their valuation isn't much more than one year's gross revenue. So, most companies will assume, "Hey, I'm making $2 million a year, so we are probably a $6 million company." Well, if that $2 million is only brought in at a 40 percent profit margin plus there's debt held on the company, they might only be worth $1.5 million even though their company is grossing $2 million – they might be worth less than that. So, they're not looking at building it as an asset. The founder is the only person who is actually going to grow an asset.

They can't run day to days at all. So, it's going to take a minimum of at least two people. What I would do as a small business owner

– and I do this. When I start a company, I will find a partner that's really good on execution, and I will reduce my equity because I'd rather have 60 0r 70 percent of something real than 100 percent of something I have to be there every day doing everything. And I become eventually a prisoner. Right?

Jaime: Yes. So, I talk about this especially with small business owners going from one person and contractors or whatever to really have a right-hand person that you can count on. We call them owner and operator. So, that way they can finally learn to trust and learn to let go. That takes a lot of help. That's just what we do, right? We're like, "Uh," ripping away the band aid slowly. But for the visionary, that owner, how can they have the clarity of vision especially if the operator or the operations person is like, "Wait, this didn't work. Oh, wait. What about this?"

How do we hold a clear, clear vision? And how far out – can you give us some visioning tips to really be solid in what you have?

Dan: I get asked that question a lot. I find that when people have muddy waters, when they don't have – they're foggy. One thing that did that is they're too close, okay? So, what I always tell people is, "Look, take four or five days off. Go empty your cup a little bit. Step away and zoom out a little bit. And then you will regain some clarity." The other thing is that you have to go to people that are objective. So, you might have to go to a friend that has no dog in the hunt and say, "Dude, here's what's going on."

They can see things that you can't because we are too in it. But I find that I'm very creative, and I have the most clarity on my way back from a trip. Like on the plane ride home or the car ride home I'm like, "Oh my gosh. When I get back, I'm crystal clear." But when I'm getting on the plane to leave, I'm just trying to get on my flight. So, I think that if we're lacking clarity right now and our people are looking at us saying, "This isn't working. This isn't working." We have to step away for a few days, find some objective people and sandboard a little bit.

And we'll regain clarity and then get back into it and create some definitive parameters before you get back so when people try to push back on you, you say, "It's too late. These are already the parameters."

Jaime: Okay, that's what I want – so, how do you actually define the parameters? And do you write it up? Like how do you actually deliver the vision to your people and inspire them.

Dan: Perfect. So, I do build out the parameters before I get back to my team. But here's another thing to kind of think about and why there's value in someone else, even if it's a mentor. These people in your company, they get used to hearing you every day. Right? It's the same guy saying the same thing. And not that they're not believing in the vision, but it's like, "That's just Dan again." Right? So, I have other friends that I coach their companies and they coach my company. But we don't coach each other's companies – or our own because we know that we won't be objective.

And I'll use that as leverage. So, I come back into town and say, "You know, I was talking to my friend **Chase Barfield**. And we spent a whole week together, and he's what we're doing." Almost use it like, "Chase said we have to implement this program." I'll use somebody else in the implementation. And they'll accept it a little easier instead of hearing us all the time instead of hearing us all the time. You know what I'm saying? Or let's say we're a franchise owner, I'll take a break and part of my vacation might be to corporate where I have a quick meeting with the president and take him to dinner.

Then I come back, "Hey, I was talking with Mr. Swift and he thinks it's a good idea we implement this." Even though it was my program, it comes with more weight because they get used to hearing you every day.

Jaime: That's a really interesting distinction too. Yeah – because, yeah. Oh, another of the crazy ideas from the boss again. All right, now we're going to go over here. But then I guess that's sort of the point then too because somethings fail. Right? So, we don't totally know what is going to work, especially marketing initiatives or tests or whatever you're doing. How do you get them to be okay with failure also? It's one thing for the owner to feel a lot of failure, but if your team starts to feel that too it can get a little wishy washy.

So, do you have any tips on that?

Dan: I do. One of the biggest things that I live by is you have to constantly separate your vision from your strategy, right? So, we could have super clarity of vision, but it's naïve to think that the strategy we put together is going to be launched and fully accomplish the vision. It just doesn't work.

Jaime: Yes, thank you. Good, okay.

Dan: That would be naïve. So, what I know is after you launch you don't have all the how yet. And you shouldn't – if you are waiting for all the how's, then you have waited too late. You don't need all the how's. When you have clarity of vision, you take the best educated guess and on whatever variables and metrics you do have, you make the best solution possible at this moment and launch. Because that's how you get the rest of the data, right? So, to mitigate that I tell my team in the beginning, "Hey, look. Here's the objective. Here's the vision. Here's our strategy. And guys, to be honest, this strategy is not going to facilitate this, okay.

So, it's the best starting point right now, and it's going to help us get the rest of the data we need to facilitate this. And after about six or seven refinements, then we'll have the solution for this. So, as soon as we launch, you're going to see some elements of success and some elements of failure. And then you guys need to get that research back to me as quick as possible so I can recalculate, make a better plan and relaunch. And by the sixth or seventh launch, we will completely accomplish the vision."

I explain that going in as part of a process. It's even fun, "Man, we're getting ready to fail our ass off. This is going to be disastrous. So, make sure to give me all the points of how it failed so I can put it back together." They love it because now their perception is instead of, "We work for this company and they rolled out crap every week and none of it works." It's now, "I work for such a cutting-edge company that they rely on me to launch these programs to tell them what works and what doesn't and then to send that information back upstairs so they can refine it and relaunch. And after the sixth or seventh revision, we have the total solution for our clients."

It's just the understanding going in.

Jaime: Well, expectations are such a big deal. And you saying six or seven iterations is also huge because I see people that are like, "Oh, I'm going to try two things or I'm going to try three things." And they're like, "That's risky. Four would be crazy." And you're like, "No. Commitment – you have to commit very far – at least a lot farther than you think." Even for my team I say timelines and they're like, "Can we double that because your expectations are totally a little too high." Right?

And good for me as far as stress goes so I don't have to overwhelm myself trying to get something done in too short of a time period. But when we are looking at the way that you set those expectations up, do you actually tell them in advance like, "We're going to need six or seven, and maybe it will need to be sooner." Are you pushing that ball way far down the way so that way they feel okay no matter what?

Dan: I do. I have equity in maybe about 200 companies right now. And those are the ones that worked. So, I've been a start of much more than 200 startups. In my opinion, when I hit my five or six revisions, I'm pumped, okay? It's usually almost every time on the sixth or seventh refinement that it hits. It just always is in right around that place. If you hit earlier, I think you're lucky. And you had – things just lined up for you. So, going in, I always lay out that expectation.

That doesn't mean that we won't be profitable until then. I would say usually after the second or third refinement we should be making profit, we'd be in the black. Or at least every month has been covered, whatever. But we're not going to have a full solution to solve the vision until the sixth or seventh refinement. But I think we should be profitable much sooner.

Jaime: That's a very key distinction. Because otherwise it's like keep throwing money, "Wait, Dan said seven times. We need to keep throwing –

Dan: Oh, no. No, no.

Jaime: Yeah, okay. When do you know when it doesn't work, and you have to change the strategy completely?

Dan: Again, I look at the – I have set parameters of what I want the strategy to accomplish. So, I'm going to launch this strategy and I want that to – let's say that I'm working on a membership type thing, right? I want this strategy to get us at least 25 members in 60 days, and I also want it to accomplish this and this. If it hits the objectives, those parts work. There are always going to be some that fell short. So, then I know I need to think about refining the strategy. But I'm going to have parameters of what I want to accomplish with the launch and which ones hit – work, and which parts fell short, I need to do some refinements or even look at a totally new strategy.

Jaime: Okay, so you're very fluid in knowing what's what. So, it's not like I have this parameter already and if this doesn't hit then we're going to throw that strategy out and we're going to start with something else.

Dan: No.

Jaime: I know we're speaking in overview terms right now. It's interesting to hear the way you think, especially with so many different businesses that you've vetted, which I really appreciate. Wow. And the time flies like crazy. So, I have to start wrapping up even though we could go down this path for a really long time. We didn't even really get into what your companies are. So, before I ask the last question, can you tell us about the publishing company, about BLU TV, a little bit more about what the actual companies that you technically run on your own – not your own, but you know what I mean.

Dan: So, I own equity in a lot of companies that are managed, but the ones that I'm personally really involved with at this point is – my passion is education. And so, BLU University is a university that teaches entrepreneurship globally. That's really where my heart is. Indigo River Publishing right now is one of the fastest growing publishers out there. I think we have 26 best sellers. That's been out for a long time. We have a television network, a film company and then a coaching business as well.

So, we provide the education, and then we can provide either book, film, whatever leverage tools. We can help them gain influence, and if they need more coaching on top of that, we can provide that as well.

Jaime: And how many hours a week are you working typically?

Dan: Me personally, I'm ashamed to tell you that I come in at 2:00 Monday through Thursday, and I work from 2:00 to 6:00. And that's it.

Jaime: That's nothing to be ashamed of. I thought you were going to say you work a bazillion hours. You're like I barely work – awesome –

Dan: Everybody thinks so. Everybody – no, no, no. I work 20 to 25 hours, that's about it.

Jaime: Okay, so everyone's like, "I want to be him when I grow up." Awesome. So, on that note, we're going to wrap up with a final question. So, what is one action listeners can take this week to help move them forward towards their goal of a million.

Dan: One action. I think the first thing is sometimes when we start a business, we are really passionate and we're really into it or we see a clear line of how to make money. But as we get deeper and deeper and we gain more knowledge and we can more traction and we get a little more in we start feeling – it's not what we anticipated. Right? So, I think that one of the fastest roads to success is passion. And I think we have to sometimes go back and say, "Look, I've been doing this business for four, five or six years, but is it the right fit for me?"

For instance, I'm sure you watch Shark Tank, but Barbara on Shark Tank, I remember her telling me one time that she was in the flower business for years and year and years, and she was already a very smart educated woman, very tenacious. And then she woke up one day and said, "I'm doing everything right, I'm just in the wrong field." So, she had to – that's something that I've reevaluated many times in my life is that when I started down this path, I felt a certain way. But as I get a little farther in, maybe it wasn't what I thought.

Am I still working in my passion? Because the level of passion that we have is in direct correlation to our physical energy and drive and ability to withstand pain and discomfort. So, if our passion has gone down to a two then our actual physical energy is a two, our drive is a two and our ability to withstand pain and discomfort, our wherewithal, is actually a two right now. So, it's going to take speed. It's going to take tenacious – we're going to – to get any of those things and get where we're going, we're going to have to relook at the passion.

So, that's something I would look at. And at this point in my career, I'm not trying to make more money or build new alliances. I'm just trying to make more impact. So, if anybody wants to reach out and say, "Look, man. Help me get more whatever." I'll do it free of charge. I'm just trying help as many people as I can and have a good life.

Jaime: Be prepared. People who listen to this show email a lot. Just so you know. So, they definitely will. But that concept that you said is amazing and I want everybody, and I challenge them – if you're driving, do this a little bit later. But really pay attention to what he

just said. What level are you at for your passion because if you're feeling pain and discomfort and can't even handle that at a low level, maybe it's because the passion isn't there like you're saying. That drive is gone.
I so appreciate you coming on the show today, Dan. Where can we find all about everything that you have? And you said that they can contact you, so where do they contact you?

Dan: Yeah, so the best place is danvegabusiness.com. I will throw out an email. I will pick an email, dan@indigoriverpub.com. If they want to email, I'll give them some free advice. I'll be certainly glad to help in anyway I can. Other than that, hit me up on social media. And I play around hours a day. I don't have a lot to do. I have good systems in place. So, if you want to chit chat or talk about your personal thing, I'll be glad to communicate.

Jaime: You're so kind. And I just want to say anybody who is emailing him for advice has to actually do the advice. You are not allowed to email him unless you are planning on actually taking action from it. Because you don't want to waste his time. I'll just put that caveat out there, so we know.

Dan: Thank you.

Jaime: Most of my listeners are really amazing and they will. I'm just making sure because some people get a little overloaded. Thank you so much for coming on the show today, Dan.

Dan: My pleasure, Jaime. Thank you very much for having me. My pleasure.

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Duration: 49 minutes