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POWDERKEG PODCAST TRANSCRIPT: MIKE DILLARD

Intro: Mike Dillard is a serial entrepreneur who is creating a new technology that you'll be able to put in your house and will supply all of the organic produce that you would want on a monthly basis. And Dillard's entrepreneurial path prepared him to make a big impact with this audacious new venture. Mike started first business over a decade ago in an unexpected industry — network marketing. That company turned into a multiple-eight-figure business as Mike mastered the art of internet marketing. He was young and did what a lot of young entrepreneurs do after an early success—he blew a bunch of money.

That's what prompted Mike to dive into the world of finance and investing. He started a business in that world, and did \$3 million in revenue in first 7 days. He did eight figures in the first year, and served over 50,000 customers in the first 3 years.

In this interview, Mike shares some insights and experiences that can help you make an incredible impact in the lives of others. We'll talk about how he made his first millions in business during his twenties only to lose it all and fall into a depression. Mike's comeback story is inspiring, but also includes actionable strategies to manage your psychology, leverage your strengths, and seize opportunity. In 2015, Mike launched a company with the sole purpose to generate the funds to fuel his innovative ag-tech business that aims to completely disrupt the food and agriculture industry with hydroponics.

That company he started in 2015 is SelfMadeMan, which has become the #1 Self-Help podcast on iTunes. It has an enormous community that brings mentors into your world who can help you build a life of excellence in business, relationships, health, finance, and legacy. He's interviewed people like Daymond John, Chris Sacca, and Chase Jarvis.

In this interview, Mike shares how he built his platform and how it's enabled him to bring on business partners like Peter Diamandis, founder of XPRIZE and Singularity University who has teamed up with Dillard on his new ag-tech company.

In this conversation we talk about that new venture, as well as all of the ups and downs that led him to up to this pivotal moment.

Follow Mike (@Mike_Dillard) on twitter and at MikeDillard.com. He's got an amazing community there, so I suggest joining his email list.



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I'm so grateful for Mike's transparency and humility in sharing the stories in this interview. And I'm so inspired by his mindset and execution that has helped him excel.

Matt: From verge headquarters in Indianapolis I'm Matt Hunckler with Powderkeg – Igniting Startups. And within the next hour you'll hear how one entrepreneur made his millions in his 20s, lost it all, then made it all back so he could invest in the most audacious venture of his life. That's Mike Dillard, a serial entrepreneur who is creating a new technology that you'll be able to put in your house and it will supply all of the organic produce that you would want on a monthly basis. It sounds like a crazy audacious goal but Mike has an amazing track record, an amazing business partner with Peter Diamandis who's the founder of XPRIZE and Singularity University. In this interview, Mike shares some insights and experiences that can help you make an incredible impact in the lives of others. We will talk about how he made his first millions in business during his 20s only to lose it all and fall into a deep depression. Now, Mike's comeback story is inspiring but also includes some actionable strategies to manage your psychology, leverage your strengths and really seize opportunity. That's all coming up on Powderkeg – Igniting Startups where every week we share the untold stories of innovation leadership and technology beyond Silicon Valley. This episode of Powderkeg is brought to you by Developer Town. Now, Developer Town helps entrepreneurs and enterprises turn great ideas into products with traction. BWCSI is an Illinois based systems integrator that focuses on water and wastewater solutions for government and utilities. They partner with Developer Town to improve an app they created to help with tracking and reporting data. Tim Forrester is a leader at BWCSI and he knew we had a legacy product that needed some work.

Tim: So, we didn't just want to reproduce the software as we had it screen by screen. What we wanted to do is redesign it from the ground up.

Matt: Developer Town took BWCSI through a workshop where they collaborated on the business strategy of the product.

Tim: How do we empirically prove out what we need and what our clients want? We used to spend some time away from the office, focus on it and develop like a method that we actually went out and tested with our beta testers to getting that question answered.

Matt: After spending time researching, building prototypes and testing with the Developer Town team, Tim was surprised that though clients agreed the product was extremely valuable, they saw that value in a way that wasn't what he expected.

Tim: I am like “This is going to save you time” and they're like “Oh okay, that's great. I don't really care” but what they what they cared about was the ease and the accuracy of producing the report. A guy said “Listen, I'm not very technically savvy.” And he said “I've got this Excel spreadsheet that some guy built for me a couple years back that it had some issue with it. I don't know how to fix it because I don't know



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Excel. And moreover, I can't ask the guy who built it to fix it for me because he died." And so, he was like "I don't know what I'm going to do if the state starts changing regulations and it's just not good. I realize this is like a ticking time bomb when the spreadsheet is no good. So, I don't know what I'm going to do." And I was like "Okay. Well, if we had an application that was essentially like the turbo task of water reporting where you just punch in the data and it asks you very nicely for the data that it needs and then produces exactly what the state requires?"- "Man, that would solve a lot of problems for people both saving time and keeping up with regulations, giving them confidence that that reports they're sending in are accurate."

Matt: Clients of Developer Town often find that their value propositions change after they really dig into research and talk to their customers. Building with the user in mind is how Developer Town creates products with incredible foundations that are scalable as the businesses grow – so, so important for innovative companies. Learn more about this story at www.DeveloperTown.com/Powderkeg. Again, that's www.DeveloperTown.com/Powderkeg for more information. Developer Town – start something.

Matt: Our guest today is Mike Dillard. He started his first business over a decade ago in an unexpected Industry – Network Marketing. That company turned into a multiple eight-figure business as Mike mastered the art of internet marketing. Now, Mike was young and he did what a lot of young entrepreneurs do after an early success like that. He blew a bunch of money. So, that's actually what prompted Mike to dive into the world of finance and investing. He started a business in that world and did 3 million in revenue in just the first week. He did eight figures in the first year and served over 50,000 companies in the first three years. In 2015 Mike launched a company with the sole purpose to generate the funds to fuel another innovative business that aims to completely disrupt the food and agriculture industry. That company he started in 2015 is Self-Made Man which has become the no. 1 self-help podcast on iTunes. It has an enormous community that brings mentors into your world who can help you build a life of excellence in business, relationships, health, finance and legacy. He's interviewed people like Damon John, Chris Sacca and Peter Diamandis. In this interview, Mike shares how he built his platform and how it's enabled him to bring on business partners like Peter Diamandis who's the founder of XPRIZE and Singularity University and has also teamed up with Dillard on his new ad tech company. In this conversation we talk about that new venture as well as all the ups and downs that led him to this very pivotal moment in his career. You can follow Mike, @Mike_Dillard on Twitter and at MikeDillard.com. He's got an amazing community there as well as at his podcast website which is just SelfMadeMan.com. So, I suggest joining his email list there. I'm so grateful for Mike's transparency and humility and sharing the stories in this interview and I'm so inspired by his mindset and execution that has really helped him excel. Here's Mike Dillard.

Mike Dillard, it is a pleasure to have you here. You are tuning in from Austin, is that correct?

Mike: I am. It's a rare day today. It's about 27 degrees outside but coming to you from Austin Texas, yeah.



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Matt: Well, I think we're single digits here in Indianapolis. So, I would do anything for some double digits right now.

What brought you to Austin?

Mike: I grew up and I was raised in San Antonio, made the Texas tour, lived in Dallas for a while and if you're going to live in Texas, Austin is the place to be. It's a young, smart healthy city, just a lot going on. It's growing like crazy. So, yeah, this is it.

Matt: So, a lot of people might have been to Austin for some of your popular conferences obviously South by Southwest being a big one. What is Austin like when South By isn't going on?

Mike: A lot of traffic, a lot of cranes, a lot of construction. I live downtown right on the water and there's three cranes around my building building three new high rises. So, the city is growing like crazy but I think it's awesome. One of the biggest upsets, if you will, or disappointments over the last year is the fact that Texas or Austin City Council booted out Uber and Lyft. So, here we are, one of the tech hubs of the country and we don't have Uber or Lyft which just blows my mind but other than that it's a super active town. We've got to be a wake boarding capital of the world in the form of Lake Austin. Apparently there's more wakeboarding boats in Lake Austin than any other lake on the planet. Yeah. So, it's a really cool city.

Matt: So, you grew up in Texas. Were both of your parents in the business world? Were you always entrepreneurial?

Mike: My dad spent a life in corporate America. So, I got to see what I didn't want to do because of how hard he worked and for a return that was, in my mind, nowhere equal to the contribution he was making. And my mom was a school teacher for a little bit and then became an interior designer. So, for me, my desire to become an entrepreneur was really born in high school. I used to mountain bike competitively, actually won a couple of Texas State Championships way back in the day. So, I trained after school. I would wait tables in the evenings at the original Macaroni Grill in Boerne, Texas before it was bought and turned into a chain. And on Fridays and Saturdays while my friends were all partying I would come home at 12 o'clock, 1 o'clock smelling like food, absolutely exhausted and I would turn on the television to decompress for a little bit and at 1 o'clock in the morning you're going to find infomercials which is I was very receptive to and the fact that I just came home from a job that I didn't particularly care for. So, seeing Tony Robbins and Carleton Sheets and Don Lapre, all those guys just opened my mind up to the opportunity or the fact that there were other opportunities and there were alternative paths that you could take and that's really what sparked my interest in becoming an entrepreneur and the fact that I hated that somebody else had control over my schedule assigning me to work a double on a day and there's nothing I can do about it. So, yeah, that's when the desire was born.



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Matt: So, did you pick up the phone and dial the 800 number to get some of those courses?

Mike: I did. I bought one of them, Brad Richdale's course, and ironically it was kind of ahead of its time. This has got to be around '96 or something like that and it was on how to create essentially an info product or a physical version of an eBook, if you will, not a book itself but an information packet on your area of expertise. Thinking back to what I eventually ended up doing for the majority of my own career, that seemed to be pretty ironic but, yeah, that was the beginning of my journey.

Matt: So, you found yourself on this quest. Was the drive initially mostly so that you weren't beholden to someone else's schedule?

Mike: Yeah, I think most entrepreneurs have a stubborn streak and we don't like being told what to do.

Matt: I can relate to that.

Mike: Yeah. I think you have to. I think that's one of the things that pushes us to start our own business is we just want to make our own decisions and be independent and do what we want to do. So, around college is when I started to look really seriously at what I was going to do obviously, right? Okay, about to enter the real world. So, at some point in college, sophomore, junior year, I discovered the network marketing industry and that tends to, I think still to this day, make its way through college campuses on a pretty regular basis. So, I found Prepaid Legal which most people have probably heard about and "Here's a way where I can start my own little business for 200 or 300 bucks which I can afford and I like the idea of leverage and residual income." So, all that stuff started to really appeal to me. Executing on it, as I soon learned, was a completely different story. So, I spent, gosh, at least five or six years attempting to build probably a dozen different network marketing companies and just failed miserably time after time, went to all the conferences, went door to door for some of them.

Matt: Maybe for the our listeners that have heard of network marketing but don't necessarily know what that means because they haven't participated in or have been approached by someone in network marketing, could you maybe explain what that business model is?

Mike: Sure. Think Amway, Mary Kay, Avon, Herbalife, those big companies and essentially they've got a product line which you can buy at wholesale and retail to people that you know. A lot of chiropractors and doctors sell nutritional products from network marketing companies or you can build a team on top of that and if some of the customers that you have like the product and they want to resell them too, then great, they can essentially join your team and you would make a residual income off of their volume or sales volume as well. So, all the sudden there's this kind of appeal to the sales pitch with words like "Hey, if you build a team of 20 people who want to sell the products too and you're making 5% of all of their volume of all this, you're making a residual passive income." So, that's kind of the primary pitch or appeal, if you will, and I just absolutely sucked at it. And I didn't realize why at the time. I finally did five or six years into it but at the time this is like Web 1.0 days. This is pre-



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YouTube. This is pre-MySpace. This is pre all of that and if we saw a video online, it was like Oh my God, there's a video online." It was a really big deal. So, building a business was really dependent upon old school networking – cold calling people, buying leads, going to meetings, networking, trading business cards, that whole deal – which I realized I'm a 9 out of 10 introvert. So, trying to build a business that way was like pulling teeth. It was just the least pleasurable thing on the planet for me to do which is probably why I was not great at it. Yeah. Well, that was the one thing I did have was a desire to become an entrepreneur at any cost. It was literally either "I'm going to make this work or I'm going to die trying but I'm not going to give up" because the thought of going out and getting a corporate job for somebody else for 50, 60 grand a year after seeing the work that my dad went through was just not going to happen. So, time after time I'd watch these people walk across stage, they've got the same company, the same opportunity, the same products and yet these people are making a ton of money and I'm not. So, what's the deal here, right? And fortunately at some point a mentor of mine said "Mike" ... my goal at the time was to make 50 grand a month because that's what he was making. So, I'm like "Man, if I can just make 50 grand a month, I don't care if it takes me ten years, I would be the richest person in my family tree and I could do anything that I'd ever want to do." And it was possible because he was doing it, right? He said "Mike, look, if you want to make 50,000 dollars a month, you have to become a person who's capable of making 50,000 dollars a month" and that to me was just like this nuke going off in my brain where I was like "Holy smokes! This is not about the business. It's not about the opportunity. It's not about the product. It's about me and the fact that who I am today is not capable of achieving that result." And it really set me off in a different direction and made me realize that success was going to come not from something outside of myself but it's going to come from me and that's why all of these individuals no matter what business they were part of were achieving success while I wasn't. They had gone out and really mastered a skill set of some kind that allowed them to successfully build the business.

Matt: When he said that to you, Mike, did you instantly gain that self-awareness or did it take time to cultivate?

Mike: No, I think so because I was at the bottom, five or six years of nothing. I was like "Teach me, tell me, tell me what I'm doing wrong here" and I was at the breaking point for sure. So, what I realized is that, again, all those people who were achieving success, they were really good at something. Maybe they were really good at speaking to a prospect over the phone, maybe they were really good at holding a local event at their house or maybe they were really great at speaking from stage. It didn't matter what it was. They had all mastered a skill set and I hadn't. I was waiting for the magical website to turn traffic and customers and money which just wasn't going to happen. That's around the time I found Dan Kennedy, kind of the godfather of direct response marketing and I was just so miserable in the business, I was like "Man, if I have to go out and cold call a hundred people a day or whatever it might be, even if I'm making money, I don't want to do that. I don't enjoy it. So, is there a way for me to build this business that is aligned with how I want to build it and how I want to live my life on a daily basis and



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what I would enjoy doing?” And I realized that I actually enjoyed if just five to ten people called me every day. They were already informed, they were already sold, maybe they had a question or two but they were basically ready to either become a customer or sign up as a distributor. I was like “If that were the case and people are were chasing me down instead of the other way,” I was like “I think that would be kind of fun.” So, how can you possibly do that? Well, that's where Dan came in. He had a book called magnetic marketing and it really is the first book before the term was even coined that outlines attraction marketing – how do you become the hunted instead of the hunter – and that book again was another huge epiphany and I was like “Oh interesting. Well, this outlines a way that I can use to get people to contact me and fulfill my little lifestyle mission here with the business.

Matt: And what was the biggest nugget that you got out of that book that was sort of the aha moment?

Mike: It's just that the core of attraction marketing in general which has become a source of value for others. That's pretty much it. So, instead of going out and chasing people down and trying to convince them on why this was something they should do or product they should buy, I tried to become a source of value. So, I started putting out lessons that I had learned and what didn't work and I started to teach myself skill sets like Google Adwords and copywriting. I realized “Hey, I could write a webpage or put up a webpage that sells the entire opportunity and sells the product line, answers their objections, tells them how much it costs, educates them on the entire process and they could literally just call me at the end of that saying “Hey, how do I get started?” So, for me, becoming a source of value is mastering those skill sets, mastering copywriting, mastering direct response, mastering Google Adwords and then I started to promote my business using those tools and methodologies that started to work really, really well. I ended up writing an instruction manual for the first team at that point I'd started to build because I was getting results now.

Matt: And what were you selling, Mike?

Mike: I think it was a company called Zango. It was a company that sold a nutrition supplement. So, I wrote this instruction manual and I kind of swiped Dan's title and I called it ‘Magnetic Sponsoring’ and it was about 55 pages, wrote it in Word, printed it out of Kinko's, sent it to my new team members and the word kind of got out into other companies and other distributors who really viewed my approach it as at the time revolutionary. Here's a way a guy was building this business online through direct response that nobody had really done before in that industry.

Matt: So, you were 26 at the time, right?

Mike: Yeah 26, yeah.

Matt: And becoming kind of an influencer in this space where there's just a massive market.



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Mike: Yeah and it was kind of my Tim Ferriss Four-Hour Work Week moment. As much of an impact as that book had on the entrepreneur space, my book out on the network marketing space and I had people calling me wanted to buy it for their team. So, I made a generic version of it. I started selling it online for 39 dollars a copy. I'd get them spiral bound at Kinko's once a week. I'd buy a couple hundred at a time and have them printed up. And before I know it I was selling 40 to 50 copies a day which is around 2 grand a day. I'd go to the post office every day for an hour or two with buckets full of these envelopes that I addressed every morning, take them to the post office, mail them off and I do the same thing the next day. So, before I knew it I'm selling 60,000 dollars worth of this freaking book a month and my life kind of changed at that point. So, that's how I got my start as an entrepreneur.

Matt: It sounds like maybe we're due for a new edition of that to come out given anyone that's been on Facebook in the last five years has probably experienced the ugly side of network marketing which is a bunch of people that don't know how to do it right.

Mike: Unfortunately, that's an uphill battle. So, here's the thing about that industry. I left that world in 2010. So, I haven't participated in a while. The best thing about the network marketing industry is that it is a crucible that will expose every single weakness you have as an entrepreneur but it will also provide you with an opportunity for a really supportive environment where education and training and help is more readily available than any other industry that there is. So, people are compensated to help each other and to mentor each other. So, for me it's like kindergarten for entrepreneurs or you're going to be forced to face your fears and your shortcomings in a really transparent way and you're either going to do some about it or you're not. And then I found like myself once you do go through that and you come out the other side and you have some skill sets, you've learned how to sell, the world is now your oyster and they tend to leave the industry and go do whatever they want which is exactly what I did.

Matt: So, let's jump back into your story because I think we're at the most pivotal point, right? Your launching of your career, your solidification, if you will, of your expertise in network marketing, online marketing. What did you do with that success? What did that success look like at age 26?

Mike: All of a sudden I was getting a lot of attention, I'd become a leader, if you will, in that industry and I started producing other courses on "Hey, here's how I'm using Google Adwords," "Here's what a capture page is," "Here's how to write an email series," "Here's how to put together a sales presentation." So, we ended up writing probably five or six different other courses over the next two to three years and that turned into a full-blown publishing company. I think we did in our second or third year about 6 million dollars in revenue just from those courses.

Matt: That's incredible. And how does that change late into profit? I mean, is all of that going back into advertising it or is the information industry something that has real profit along with the revenue?



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Mike: Yeah that company in particular because of that industry it was perfect for affiliate marketing, right? So, we offered an affiliate program for all of those products and essentially gave affiliates 40% to 50% of their sales revenue. So, the company as a whole it was probably around 30% a year in net, yeah. So, I did that until 2010 and at that point I really accomplished all the goals I'd set out to make. My goal of making 50,000 dollars a month one day went out the window and now I had a company that was making 500,000 a month, right? Okay, that's not that big of a deal anymore. I've become the no. 1 distributor in a network marketing company. So, I checked that box off the list. I'd said everything that I had to say and shared all of the knowledge I had to share through the courses that I had written. So, by 2010 I was just kind of like "Ah, I'm done here. There's nothing else for me to do."

Matt: How did that impact your non-business life?

Mike: I got bored and I stopped paying much attention to it and things started to slowly drift downhill and the big lesson I took from that is that "Hey, even if you've got everything up and running, the moment you take your attention off of it, it will start to decline slowly." And it had presented another problem which became the inspiration for my second business was the fact that here I was in my 20s, was making millions of dollars a year and I had come from a family and a background that that kind of money was unheard of. So, I had zero education when it came to my financial education – What do I do with the money that my business is making? And I naturally did what every single guy in his 20s would do who's in that position is I blew it on the giant house and boats and cars and traveled around the world and checked off every single item that had been on my dream board for the previous 6 years which was a hell of a lot of fun.

Matt: Yeah. Pulled the old Mark Cuban.

Mike: Yeah, yeah. So, then my 30th birthday comes around and I'm like "I'm being an idiot. I'm really being an idiot. I have an opportunity of a lifetime and I have probably a hundred grand in my bank account at any given time despite the fact that I'm making at least a million dollars a year net" and I'm like "I'm being an idiot. This isn't financial freedom or prosperity or I'm not building wealth. I'm just spending it." I realized that that had been a common theme in my peers as well in the fact that 99% of the conversation that anyone was having is on how to make money but no one was talking about what to do with the money once you make it. And we had just gone through the crash of 2008, watching my parents and their friends in corporate America lose 50% of their savings and retirement fund over the course of a year, it was really scary and I was like "Well, I know what I'm not going to do." So, what do you do, right? What are the options? And the logical question to ask for me was "Well, if the goal here is to become wealthy, what are the rich doing with their money that the middle class are not? So, I went to the bookstore, Book People here in Austin, went to the Business and Investing and Finance sections, looked at all the books that were available and all of them had been written for the previous paradigm, pre-crash – buy your house, balanced portfolio of stocks, whatever it may be. It was all just completely irrelevant now. There weren't really any answers and guys like Mark Cuban and whatever,



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they're not sitting there writing books on how they invest their money. It's just not practical for the average person. So, that really inspired my second company and I was like "Well, I'm going to go figure this out. I'm going to learn how to invest like the rich and I'm going to turn it into a private diary that people can access online. And this is not my world, I'm not the expert, I don't have anything to teach here. So, I'm really going to serve as the host and I'm going to go out and interview the smartest people that I can on how to invest and protect your money and we'll record those on video, we'll put the videos in the members area and I'll charge 97 bucks a month to become a member there. So, that was the idea. I had no idea how it was going to do but I launched it in, I think, December of 2010 and in the first week we had 8600 people join at 97 dollars a month or 600 for the year which was about 3.2 million in revenue in a week. So, we had just like hit the Zeitgeist thing where it was the perfect message at the perfect time to the right market and it was a grand slam. So, here I was just wanting to do this little lifestyle business with the once a month of the video and now I was stumbling into something that was just going crazy.

Matt: At different scale.

Mike: Yeah, yeah. I mean most businesses will be thanking their stars if they do 3 million in their first year let alone the first week. So, I was like "Okay, we've got a real opportunity to make a difference here and to change the conversation when it comes to money and how people think of money and we can get people out of this Wolf of Wall Street type trap that is the retail financial services industry that will just tax and fee their clients to death and then lose their money and have no recourse when they do. So, that went really, really well. We did eight figures in our first 12 months. We built an office, we hired a team and all of that good stuff and then about 18 months in we ended up interviewing a guy from Australia who turned out to be a con man who basically conned us and all of our clients and that was a massive, massive, massive debacle and fortunately, they've been prosecuted and found guilty and if not in jail yet will hopefully be there shortly but that was essentially the end of the business as well. It was a mess.

Matt: It sounds like a mess. Take me back to that moment when you realized you were conned or coming to that realization and realizing "Oh my gosh, I have this great business with recurring revenue, amazing people that I respect and want to serve and I may have inadvertently just introduced them to a con man." What were you feeling at that time?

Mike: Yeah. So, a part of the project was the fact that "Hey, if I invest with someone, I'm going to document that for better or worse. It will be a lesson learned for everybody." So, a lot of the people I interviewed were people that I invested with and the vast majority of investments turned out really, really well and people were fantastic. So, this guy, I bought his course, I went through it, course was great, we brought him down to Austin and promoted his course, people loved it, the feedback was great and then had a brokerage out of New Zealand in the forex market and presented us with their audited performance stocks from KPMG and they have these spectacular results and I was like "Okay, I'm going



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to invest some money with them” and a lot of our customers did as well and about six months later we woke up and there was a 60% loss in our fund to our account overnight, called them up “What the hell is going on?”, Facebook page is blown up and he's like “Oh, it's a human error. Our trader accidentally entered the trade in with a decimal point in the wrong spot. So, instead of a 6% loss it was a 60% loss.” And he was like “Just tell everybody to invest more money and we will make it back even faster.” And I was like “Oh shit.” So, we called our SEC attorney who promptly called the FBI who promptly called the Australian authorities and before you know it discovered essentially a global fraud ring of these guys who've been doing this for 10-15 years around the world, yeah. So, that was tough because the trolls who had been licking their chops to hang me on something finally got their excuse. So, going through that publicly was horrific.

Matt: How did you get through that?

Mike: I don't think I did. The stress was unbelievably high. My business partner Robert, two to three months into this, was diagnosed with leukemia on his wedding day. I was going through a divorce at the time and our business had dropped from a million dollars a month in revenue to essentially 200 grand a month in revenue which was less than our overhead. Our legal bills were about 60-70 grand a month. So, I didn't. My job there is I'm the figurehead, I'm the communication link between our customers and our mission and what we're doing. I'm the guy, right? And I couldn't talk. I couldn't talk from a legal perspective. The attorneys were like “You can't say anything, bro. Just can't say anything.” I'm like “Okay, can't talk. Awesome.” I didn't know what to say anyway. So, I literally didn't write an email for probably a year and a half when that was something I did almost every day. So, very deep depression, lost every penny I ever made. Thankfully the cancer was remedied through chemo for Robert. And that took about two and a half to three years to make it through that. And the best advice that I ever received was from my friend at the time, someone I consider a mentor, Mark Ford. Many of you might know him through Michael Masterson, his pen name, ‘Ready Fire Aim’ and his other books but Mark had gone through something similar early in his career 20 years ago and I just said “Hey, what do I do?” And he said “Be completely honest and transparent in everything that you say.” So, I did. When I finally got the okay from the attorneys to say something, I wrote a 30-page blog post and the title of it was ‘2012 Year in Review - Sued by the Feds and Conned’ or whatever it was and 30 pages of not me justifying what happened or anything like that. It was just “Here's what happened. Here are the affidavits from my accounting and if I'm lying, then I go to jail.” So it's true. And I didn't try to justify or anything. I just said “Here's what happened. I'm really, really sorry and you guys can deal with it the way you will.” And I think the people who read that saw that if anything the biggest victims out of anyone here because not only did we lose the money we invested but a piece of my reputation became in question and my business was gone, my marriage was gone, Robert almost died. There was a lot that we had gone through. So, the response was, I would say, 95% extremely, extremely positive. I think people left 400 or 500 comments and the vast majority of them were extremely positive and that was the single best thing I've ever done was making that post. And we didn't send it out to the people who



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were affected by this guy. We sent it out to the entire audience of 500,000 people on our newsletter list. So, many of them, vast majority of them probably didn't even know what had gone on if they weren't paying attention or whatever it maybe but that was it because what that did is even though this bad thing happened, people knew that they could still trust me and that I would be upfront and honest with them no matter what happened. So, that was a big turning point and I took about a year off to figure out what the hell I was going to do with my life and then in the end of 2014, December of 2014 a friend dragged me to date with destiny for a Tony Robbins event in Boca. About a week before it was going on, I was like "Okay, let me go" and that was the big pivotal event that pulled me out of that funk and got me back on my feet and inspired me to get over it and move forward again.

Matt: Wow! I'm glad you found that event and it's actually on my bucket list of things to do here in the next year or two, especially after watching the documentary on Netflix about...

Mike: That's the one I was at.

Matt: Oh wow! That's crazy. Did you get any face time on the documentary?

Mike: I don't think so. Maybe flash of the crowd but that was about it. And it's funny, they said they were filming it and I went for it and then two years later "Hey, there's a movie."

Matt: That's incredible. So, what was it about that event that pulled you out? I mean, you don't have to necessarily go into all the details because I want to get to what you're doing now because it's extremely exciting but I'm curious what that experience was like for you.

Mike: Yeah, it's interesting Tony essentially has this down to the science where he breaks you down physically over five days basically through sleep deprivation and that is what allows you to get to the core of what your story is. So, he pulls out your existing story and these are the thoughts you think and the emotions you have that determine the life you live today. So, you're like "Wow! That's why I've made these decisions" and you can finally see it for the first time because all of this is in your subconscious until then. And then once you have that out, you can then redefine it and you can write a new story and you can figure out "Hey, what is my life's purpose what is my mission and what's the new story that I wanted to find for myself?" So, through a five-day process that's unbelievably difficult you come out the other end with that kind of insight and it's the best thing I've ever done. And I don't know how many years Tony's going to do it. I know he'll do it as long as he can but I would go sooner rather than later because it's a life changing deal.

Matt: Wow! That's a pretty great testimonial. So, did you get the clarity on what you wanted to do next at that event or was it really more of a launch pad to get you to a space where you could make that decision?



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Mike: At that point I had had two options that I was passionate about. I was passionate about helping men specifically become leaders and the previous decade I've just watched the United States in my personal humble opinion turn into a cesspool of people who have adopted a victim mentality and who want someone else in the world to save them or pay for their lifestyle or they want to point their finger at somebody but you've got an entire generation of kids growing up without fathers. There's no difference between a respect for right and wrong anymore from Washington on down. I don't see honor or integrity a part of our culture at all anymore. And I just found that unbelievably concerning. So, that was a problem that I was like "Hey, this is going to get horrific if we don't do something about this. So what can I do, one dude?" And essentially the question is how do you change a society, how do you change the value system of a society and the conclusion that I came to is really there's only two ways. There's through the barrel of a gun which has been done throughout history many, many times, not the best option and through the next generation, teaching upcoming generation a different set of values. So, obviously that was the best option. So, option one for me was to start a company that was focused on promoting values that lead to success to the next generation of young men specifically. And at that point women are the biggest beneficiary. Essentially my job here is to produce better sons, better husbands, better partners, better fathers, etc. so that we can get back to a family society that's productive. So, that was idea number one. And the idea number two is I have a 6-year-old, so I had a little one a couple of years ago and his mom and I have always tried to feed him really wholesome healthy organic food. I live right across the street from the headquarters of Whole Foods here in Austin, literally hundred yards away. So, I would go there every day and buy my groceries and buy my produce. I did a lot of juicing and juicing organic produce is really expensive. It probably came out to like 20 bucks a glass by the time I made it. And I was just like "You know what, this is good that I have access to this but I found it absolutely absurd that the vast majority of people in America today cannot afford to buy vegetables that are not covered in poison and I just think that's the dumbest thing I've ever heard in my life where you've got to pay a premium to get food that's just not covered in poison." And I'd read Peter Diamandis' 'Abundance' know book by that point, gone through you know his five D's of exponential technologies, looked out and saw companies like Uber and AirBnB and oDesk and 99 Designs and all of these companies that have decentralized their industries. And when you decentralize an industry, you're essentially turning your customer into your employee at the same time and you're getting rid of all of the middleman and the cost and the up mark in that supply chain. And I was like "Well, why hasn't anyone done this to the egg industry?" There has been no innovation in that world and in a hundred years. So, I was like "Okay. Well, let's figure this out. And is there a way to put healthy clean food back on the dinner table at a price the average person can afford?" And the way to do that became clear. You had to decentralize that world and you had to have the farming process start and end in the house. And if you can do that, you can get rid of the farm, you can get rid of tractor, you can get rid of the eighteen wheelers and the boats across the ocean, you can get rid of the distribution centers and finally the retail store. And if you can get rid of all of that waste, you can reduce water waste by 95%, you can reduce pollution by 100%, chemical used by 100% and you can end up reducing



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the cost of the food by about 90%. So, okay, that's the way to do it. How do we turn someone's house into a farm in a practical way that the average person would actually enjoy and be find practical because if you don't get adoption and penetration, you're not really solving the problem? So, I dove into that world and it became pretty clear very quickly that the way to go is through hydroponics. You can't have people bringing in bags of soil into their living room. It's not going to work. And there were a couple of hydroponic products out at the time, Tower Garden being one of them. Here's a proven company that's been around for 10 years with a proven product, people are buying it, it grows a good amount of food that grew on 3, 4, 5, 7 little plants at a time but you're not going to change the world by growing basil and mint on your kitchen counter, right? So, we need to figure out a way to actually replace someone's trip to the produce section because if you're just doing part of it, you're not solving the problem. It became clear we needed to create a system based on hydroponics but it had to be completely automated so that anyone can grow and use it, you don't have to have any expertise, it's not like taking care of a fish tank which the other systems were. It's a lot of work. And it had to be pretty. You had to have to want to put it on display in your home as an art piece if nothing else. And then third, it needed to grow enough food to replace your run to the grocery store. So, that was kind of all the criteria on the wish list and I just literally bought five books on hydroponics on Amazon and that was the beginning of my journey down this road, hired a company called 'What's on Silicon Valley', an industrial design firm to help me come up and make the system. That was about two years ago and it's been a hell of a learning experience but literally 20 to my left right now I have a prototype sitting in my living room that grows 36 plants. It's completely automated. It looks like Apple built it. People walk in the house and they're like "Holy shit, what is that?" And it works. It's not perfect. We're still working on it. It's been unbelievably expensive and challenging to make much more so than expected but we're heading down that path, yeah. So, that's where we're at.

Matt: So, you mentioned that it's expensive. Did you have to go and raise venture capital in order to do some of this R&D?

Mike: No. That's something that I mapped out, right? During the beginning of this process when I started to try and do my best guesstimate on what it was going to cost to build something like this, it came out at the time to about a million bucks and I've learned through past business endeavors that if you're dealing with hardware or software, you can just use something we call 'the rule of three X' which means take your best estimate and then triple the amount of time you think it's going to take and the cost and that's really what you're going to end up at. And I've found that to be the case in every venture I've ever taken on like that. So, I realized I was going to need about 3 million bucks and I didn't want to take on investors. I just don't want that responsibility. I don't want to take money from my friends and family members and have any risk whatsoever that I would disappoint them or lose their money. So, that's just not something I wanted to do. So, the only option was to self fund it and at the time I'm like "Okay, I'm at Tony Robbins, I have no business anymore, I have no money, I don't know what the hell I'm going to do." So, I essentially figured out and realize that I needed to start a business based on what



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I was really good at in order to fund this business. So, I took the first mission which was how do we change the value set of young men in the world and I turned that into Business A and I've used the money from Business A to fund development of Business B. So, the brand for the young men turned to 'Self-Made Man' and 'Self-Made Man' the podcast and I've produced a course or two there on some of the most valuable strategies that I've used over the last 10 years during my entrepreneurial career – how to build an email list and audience, how to build or produce an effective sales presentation or a webinar – and we've been selling those courses for the last year and a half or two and they've done really well. The feedback's been phenomenal. We have sold two or three million dollars worth of those a year and about 40% of that or so is profit which is what has gone into the hydro business and funded that entire project. Yeah. So, it's been interesting. I built one company with the sole purpose of funding the second company and so far it's worked out.

Matt: That's great and definitely a unique approach to funding a “venture-backed company,” getting your own capital from another business that you know how to grow and start from the ground up to then invest your own money into something that eventually will probably either need venture capital or your business doing 10X on the 'Self-Made Man' side of things, being able to raise that 3 million in capital yourself in just two years is pretty incredible. What have been your favorite moments of the 'Self-Made Man' and growing that brand?

Mike: What's interesting is all of that was designed around constraints. Most of the time you don't build your business with constraints in mind. You're like “I want this to go as big as I can” but I had some very specific constraints that I needed to build that around because of the time that I would need to dedicate to the hydroponic business. So, one of those constraints is time – how do I spend the least amount of time possible building 'Self-Made Man' and one of the things you need to do if you're going to build a company is you've got to be in constant contact with your audience, you've always got to be delivering value at least on a weekly basis if not more often. And typically in the past I've done that by writing blog posts and emails but that takes time. I'm a really slow writer. Blog posts will typically take me one to two days to write, yeah. Then coming up with a new topic every week is just like “Holy smokes, this is a full time gig.” Nonetheless, it didn't change the need and the requirement for that. So, I realized that the most efficient way to deliver value to my audience with the least amount of my time was through podcast. So, I got on Google, typed in how to start a podcast on YouTube, found some good tutorial videos, bought the recommended mic that everybody said I should buy and started the 'Self-Made Man' podcast about a year and a half ago and that has turned into just a really unexpected awesome platform and project. The amount of positive feedback I get on that from a weekly basis has just been unbelievable. The amount of new people that it's brought into my world has been just awesome and the amount of people that it's allowed me to meet in the form of my guests has just been priceless. Here I am getting to interview guys like Damon John or Chris Sacca or Kevin Harrington or Peter Diamandis or Aubrey Marcus or all of these guys, Tom Bilyeu. It's like my own little personal mentoring hour-long session every week with some of the most successful people on the planet and it's led to extremely



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valuable relationships. Most people don't know this, I haven't talked about it really publicly yet but Peter Diamandis is actually on the board for the hydro company. So, building and meeting people like that and building relationships through that podcast has just been awesome and my time spent on it is literally 2 hours a week, half hour before prepping, an hour long interview, a half hour writing the blog post and getting it out and that's it. So, from an ROI perspective it's just been awesome.

Matt: You mentioned names like Damon John, Chris Sacca, Peter Diamandis from XPRIZE. I imagine that it didn't start like that from scratch, right? A year and a half ago it was still a very crowded market in terms of the marketplace of podcasts, right? So, how did you get to that level to where you're now talking to these kinds of guests and getting the kinds of download numbers that puts you as the number one self-help podcast on iTunes?

Mike: The one asset that I did have left was my email list. So, on the financial education company, I handed over my half of the business to Robert because I just couldn't have anything to do with it anymore, the emotional toll had been too high but I had my email list, so a couple hundred thousand people. So, I had a huge advantage just as far as having a built-in audience. So, when we launched the podcast, "Hey, it's not to five people. It's to a couple hundred thousand." So, that was definitely a huge advantage but I didn't start the podcast to build a podcast. I didn't start the podcast to turn that into my primary outlet. I started the podcast to do one thing which is to deliver value to my existing audience. So, I've never once tried to grow the show. I've never really done anything. I've emailed it out to my audience every week, I've put it out via my social media channels and that's been it and it's because that's the way that I want to serve them and sure people have found it and come into the fold through the show as it's kind of spread a little bit organically but that's been about it. As far as getting guests go, obviously I started with my one market, people that I looked up to that I had some form of communication or connection with in the past and all you've really got to do is get your one marquee guest. I call it the spiral of Asuncion essentially when it comes to credibility and guest. If you just get that one person, that one name like Peter or like Damon John, then all you got to do when you reach out to other people is say "Hey, look, we've had guests like Peter and Damon John" and they're like "Oh cool, awesome. Yes." So, you're just looking for that one person and do whatever you need to do to get them on. That will bring credibility to your show and then when we reach out to guest too, it's usually especially in the beginning people that I look up to and want to talk. So, I reach out personally, tell them why I want them on the show, how they've impacted my life previously, I've said thank you for their contribution that they've made to my career and I've just been really genuine about it. So, that's been it.

Matt: I really appreciate you sharing that advice, Mike, and I'm really excited to follow the growth of your hydroponics company and I love that that was rooted in solving a problem for your son. What's your son's name?

Mike: Chase.



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Matt: So, when Chase is a teenager and is eating homegrown foods, talk to me about what the business is doing at that time. How old is Chase now?

Mike: He's 6.

Matt: He's 6. So, fast forward for me seven, eight years, what is this business doing? How is that impacting the world?

Mike: That's a really good question and I don't know the answer to it. This is something I probably tell but I struggle with this on a daily basis. I'm very similar to Tim in this regard, Tim Ferriss. One of the things that I'll never forget I read or heard him talk about was the fact that Tim surrendered to who he is and what he's good at and essentially what he should not pursue. And I thought that was just really powerful and just a big deal on his end but I'm starting to see the wisdom in it which is my superpower, if you will, or stupid human trick is coming up with solutions to problems that I see and coming up with a really good solutions that people like and that can successfully make its way into the market and be sold. What I don't enjoy is building a business. I don't enjoy the infrastructure. I don't enjoy the hiring, the firing, the administrative. I just don't enjoy any part of that. It just sucks me dry from an energy perspective. My happy spot is where I'm at right now which is in front of my desk overlooking the water and in front of my computer writing 8 hours a day. That's it. That's all I want to do. And when I had an office, I'd sit in my office and close the blinds and I'd do the same thing there and try to avoid people which is not a good thing. So, I'm really conflicted on what the future of the business looks like because for me my one goal is just to get it to launch and to get it out there and I don't want to buy a warehouse and buy a company and hire a hundred employees. So, I don't know what that looks like. I don't know if it's hiring a CEO. I don't know if it's selling to a company that can do a better job of that than I can. For me, at the end of the day, the only thing that matters is getting poison off of food and even if I have to help support other companies that are doing a better job of that than I am, then that's what I would do.

Matt: Well, I'm very eager to follow your journey as you grow that business as well as grow 'Self-Made Man'. If people want to follow along on your journey, where can they find you and how can they follow you in your journey?

Mike: Yeah. Everything is just over at MikeDillard.com. All of the stuff that I've been up to, the newsletter, the blog, the podcast, all of that is just over there.

Matt: Great. Well, I highly encourage people to check that out. I have been enjoying the 'Self-Made Man' podcast. Some of the guests have just been incredible with some major breakthrough aha moments. So, I want to thank you, Mike, for sharing what you do, sharing your journey with us here on Powderkeg. I'm interested to see how your quest continues to evolve and I hope we have a chance to collaborate again.

Mike: Awesome, Matt. Thank you so much for having me.



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Matt: Thank you, Mike.

Mike: Matt here again. That's it for today's episode of Powderkeg – Igniting Startups. Just a reminder to follow Mike, @Mike_Dillard on Twitter and MikeDillard.com. I just want to remind you that you can get all of the show notes and the full transcript on our website at Powderkeg.co. Just a little reminder, Powderkeg is presented by Verge which is a network of local communities with global reach for tech entrepreneurs, investors and top talent, growing companies beyond Silicon Valley. We have a ton of free resources for starting and growing your business at our website which is just VergeHQ.com. We also host several events every month around the country. So, check us out. See where we're going to be. Maybe we can link up in person. We would love to see you, meet you, have a conversation. And again, you can find all that information on our website at VirginHQ.com. And of course you can always find me Matt Hunkler on Twitter and I'm just @Hunkler. I appreciate the follow, I appreciate the conversation and all of the ideas that we've been sharing back and forth over the last several weeks since launching the podcast. Thanks to all of our Powderkegers out there who already left us a review on iTunes. Just a little reminder that you can leave us your honest review on iTunes by going to this link [Powderkeg.co/iTunes](https://www.powderkeg.co/iTunes). Give us a subscribe while you're at it and will be forever indebted to you. It's your reviews, it's your subscriptions and your feedback that help us get better and reach more people. We've got guests like Paul Singh from 500 Startups and Results Junkies. We've got Jay Baer from Convince and Convert and early investor in companies like Buffer and we've got Brian Clark from Copy Blogger coming up soon on Powderkeg – Igniting Startups.