



Rob Dyrdek - Happiness, Ideas, & Making A Billion Dollars Transcript

Ryan Moran [00:00:04]

Hello Capitalists. Welcome to Capitalism.com. Today I'm going to be joined by Rob Dyrdek. You may know him from TV. You might know him as an athlete. You may not know about his entrepreneurial background. Now only has he started and acquired companies but his primary project right now is to help entrepreneurs who are in the idea stage get clear on their vision and have a really great launch. Sounds familiar, doesn't it? Yeah. We had a great time in this conversation where he talked about the types of companies that he works with.

Ryan Moran [00:00:36]

He talks about how he structures his life. But the biggest takeaway that I had was his relentless defense of his own wellbeing. The way he structures his life for happiness and motivation directly carries over to his performance as an entrepreneur and as a celebrity. Rob is now taking equity stakes in companies as an investor, as a promoter, and as an advisor. And you'll be surprised to hear some of the insights that he's had on companies and how they have helped them grow and reached as much as \$100 million dollar valuations in just a couple of years.

Ryan Moran [00:01:14]

We had such a great time on this chat, and my secret hope is that we can rope him into being involved here at Capitalism.com. I hope you enjoy this chat as much as I did. Please enjoy this conversation with Rob Dyrdek. Rob, it's great to meet you. I'm so glad we were put in touch. I've been looking forward to chatting with you. Welcome to Capitalism.com.

Rob Dyrdek [00:01:34]

Thank you so much for having me.

Ryan Moran [00:01:35]

Rob, I wanted to kick things off by telling you that you're the person that I want to be when I grow up because you have a TV show, you invest in a bunch of different businesses, and you seem to be having a great time while doing it. So, my first question for you, Rob, is on a scale from 1-10, how happy are you?

Rob Dyrdek [00:01:53]

Well, let me say, I think you should want to grow up to be like me because I am a 10 of a 10 almost every day on happiness but that is by complete design from years of optimization so that I understood what really makes me happy, then designed a life around that, then



optimized it in such a way that truly ... I almost rarely even have a negative thought is at the depth of how much happiness and balance that I have in my life. And I do think it should be everybody's goal in life to grow into that level of happiness.

Ryan Moran [00:02:35]

So, I didn't expect you to say that, that that was something that you optimized for. But it has been my observation in seeing you at least publicly that you seem to be having a great time at everything that you're doing. And where I'm at in my own personal life is kind of realizing that if you prioritize that, all of the other important things seem to fall into place. So, when did that start becoming the metric that you were optimizing for?

Rob Dyrdek [00:03:02]

I mean, look, I used to have a ton of fun on the camera and in front of ... in the front-facing but would be chaos behind it. And not chaos in a depression sort of way, but in a you're working so hard but where are you going? Where is all of this leading to and what does all of this mean? And at the same time I was like, what type of business person do I want to be? You have all these different companies, you have all these different things.

Rob Dyrdek [00:03:33]

And in that sort of journey of trying to get clarity on sort of who I was as a person and what type of business person did I want to be, I found a business book called Start At The End. And it was written by this consultancy group based here in Los Angeles. And in concept it was like, know what you want out of a business before you ever start it. Do you want to build it to sell? Do you want to make it \$5 million dollars, and \$2 million dollars in profit and split the profit? Do you want to ... What do you want to do?

Rob Dyrdek [00:04:04]

But what really it made me realize is why don't I apply that to my life? And I think I started at that point of, well, who do I really want to be? What is the ideal version of my life and what does that look like? And then I began to see my life as sort of these interconnected systems and I started first with designing a life plan and the life that I wanted to live and then I evolved and grew into the person that I am today. And what happens when you do that, almost with anything, when you want to write a book, you're going to start a podcast, you're going to start a business, it starts first with the idea.

Rob Dyrdek [00:04:49]

Then you go through this diligence. You learn about it. Then you decide, oh, I'm going to do it, and you go through a build phase. Then you launch it, and then you realize this is way harder



than I thought, this is chaos. Then you fight to get through ... Once you get through the launch, you finally ... Once you do something you begin to realize how much you don't fully understand about it. At some point there's a horizon where you grasp it all and now you create a more clear plan to achieve it. That's when you find product market fit and business and scale.

Rob Dyrdek [00:05:20]

In life, it's when you become ... Your experience begins to turn to expertise. But I saw how that all worked in life and as I grew into the life that I live today, you evolve into becoming, you expand into your ideal person and ideal life. Then you're like, wow, this is amazing, I just created reality. Then every day is about living optimized and healthy and happy and all of these things.

Ryan Moran [00:05:51]

So, I'm jiving with everything that you're saying but I know that I've fallen into the trap, and I know a lot of entrepreneurs fall into this trap, of they set the goal and then agree to be miserable until they hit the goal. I don't pick up that that's the plan you followed.

Rob Dyrdek [00:06:10]

I don't even believe in that.

Ryan Moran [00:06:12]

Tell me more.

Rob Dyrdek [00:06:13]

Because at the end of the day, most times you set a goal, you can only make that goal as the ... Through the base of your existing knowledge. And the only thing that you ... And you can break it down into a handful of milestones. And then you must absolutely believe that you're going to get to the first milestone because the ... You get pulled by goals and you get ... Goals progression toward these milestones generates belief in your. And when you have the belief, you have the energy to keep pushing and be patient because you're making progress on these milestones.

Rob Dyrdek [00:06:54]

If you're not making progress toward that first milestone and you keep trying everything over and over but you just keep your eyes on the big prize but you can't make any progress, that's where it's going to be extraordinarily miserable. When you're making clear progress and hitting milestones and getting onto the next one and getting better and better at creating clarity in your path to your big idea, filled with energy, filled with excitement, plenty of patience



because you can actually see now, oh, it's going to take 5 years, not 3 years like I thought, but I'm still making progress. That's where it comes from.

Rob Dyrdek [00:07:32]

It's only those that put an anchor in a goal that they don't fully understand that they're miserable because they're just not ever getting close to it, and even those ... A lot of entrepreneurs, you hear many stories of where I just tried ... It took me 10 years, then I had the breakthrough. And I'm not saying that that's not one way to do it. I just believe that's the hardest possible way to do it and it's because you're not learning and evolving in the right direction to accelerate your pathway to that big goal.

Rob Dyrdek [00:08:16]

It's almost like escape velocity of the earth. You've got to begin to generate enough energy and clarity, then once you understand where you're heading so much better, you go there so much faster.

Ryan Moran [00:08:29]

So, I'm processing this as you're saying of I want to ask you how you deal with setbacks then but I'm assuming that because you have prioritized happiness in all other areas of your life that setbacks don't feel like absolute death to you whereas a lot of entrepreneurs, business is their life, or business is this ... Such a deep desire that every setback feels like a reminder of feeling like a failure. Is it your priority of happiness that allows you to keep that momentum even when you get punched in the face?

Rob Dyrdek [00:09:07]

Well, look, I think it's also I grew to here. I used to be in chaos. I was acquiring companies, I was starting companies, and I did so many different companies. I was ... And I couldn't understand, why wasn't it working? Oh my god. Now I'm like, this one worked, why didn't this one work? There was so much chaos, and when I finally decided I'm not ... I am going to grow into, expand into the type of entrepreneur that I want to be, but it was never just about business or about television. It was about life. What type of life did I want?

Rob Dyrdek [00:09:52]

And so, what are some of the things that bothered me with life? Okay, well, as an entrepreneur and someone that does a lot of risk-taking, how do you offset that risk? Right, okay, well, you invest the capital that you earn into cash-flowing assets that are passive that give you the balance of your high-risk, really aggressive, big return stuff that you're trying to master on your



side. So, now as you grow that direction, now you have a deeper foundation, a sense of security.

Rob Dyrdek [00:10:22]

You get more consistent. You get better. You get smarter. You get more security. You have more value. You operate with more energy. You operate more efficiently. You're more automated. You're more optimized. So, you grow into that. So, to me, part of my goal was how do I build ... A friend of mine referred to it as I've never met anybody in my life that defends happiness like you do. And I really built this entire world around me that is insulated me in such a way that setbacks are ... They're never reactive setbacks.

Rob Dyrdek [00:11:02]

And when you get to this level, you are seeing all of the places where you are most likely going to get hit. And it's like ... That's the risk assessment, so you can proactively now ... You're trying to make pivots and seeing that hit coming rather than all of a sudden you get hit with it as it was earlier. So now, I'm trying to fight these clear setbacks that I can see coming before they get there, and then by the time they're inevitable I've come to peace with them before I've had to deal with them.

Rob Dyrdek [00:11:36]

Most people get hit by a hammer, especially if you're early and you're young or if you've put all of your money into an idea, all of your time, energy, and soul, and think of so many people's businesses just died in 3 months when the pandemic hit. It's the misfortune of the industry, the time, the opportunity, and the station in your life at that point of depending on these outside forces, where someone like me, I keep 5 years of cash of my lifestyle expenses. My entire lifestyle expensive is paid through my passive cash-flowing income.

Rob Dyrdek [00:12:24]

So, when the pandemic hits for someone like me, I don't even ... I'm like, this is crazy. But it doesn't affect my way of life. It doesn't affect ... What do I do? Okay, I get time off from shooting so much TV, I'm going to double down and push forward on all the stuff I want to build and launch with my venture studio and launching my media side and that sort of stuff. So, again, I built that system, a life system and a life plan and grew into it in a way that I don't have work/life balance, I live a highly balanced, highly optimized existence in all aspects.

Rob Dyrdek [00:13:05]

So, you basically ... And what's at the center of that? Just peace, happiness, and energy. You go from thing to thing all day that you love doing. Now I grew into that. And even being that



balanced and that optimized and being a father of 2 and a husband and having 16 businesses and shooting 250 episodes of television a year and having a podcast and working on all the projects that I'm working on, I still do all of that within the allotted 30% of time that I give to work. I spend the other 30% with my family, the other 10% working on my health uncompromised, and then the other 30% sleeping.

Rob Dyrdek [00:13:45]

So, through all of this, I never compromised being balanced as I built all of this over the last 6, 7 years. And then I ... What did that make me better at? I'm super good at being balanced because you don't just all of a sudden ... I'm going to work less and hang out with my wife more. You have to build, design it, then eventually automate it, then optimize it to be able to grow into this level of balance.

Ryan Moran [00:14:14]

Yet there seems to be, and this is my own work as part of my journey right now, it seems to be that when you can prioritize energy and prioritize happiness, which is such a filler word for being optimistic and being full of energy and pursuing the things that you enjoy, that you tend to have more time because you have the actual focus and the capacity to put into the things that show up for you.

Ryan Moran [00:14:44]

And my next question for you was with everything that you do have going on, how do you work in things like the new podcast that you just launched or investing in that next project, even having the capacity to review that project because I imagine that your calendar gets filled faster than most entrepreneurs. So, how do you protect that capacity from going to a bunch of different directions?

Rob Dyrdek [00:15:07]

So, number 1 is you have a limited amount of capacity, period. Period. So it's not like I use 30% of my time to do all of this. That is TV, podcasts, build companies, all of that. So, I know I have this finite amount of time. So, there's only one way that you gain capacity. You automate, so then it becomes effortless, or you hire. And so for me, now, and most people, they don't know why ... They hire somebody to try to help them do more, but they don't understand ... They're not hiring them for the right reasons.

Rob Dyrdek [00:15:49]

They're hiring them hoping they will show them how to be more efficient, better, do this job cleaner, faster, whatever it may be, versus where you get to a state where for me it's like every



time I put a body in, it is now 50 more hours a week of capacity for me, and because I'm asking it to be so much more specific as it related to the whole of what I'm hoping to achieve or do.

Rob Dyrdek [00:16:16]

So, when I do a podcast, I don't ... I hired the previous head of Forbes Entertainment to come in and help me build out my media side and starting first with the podcast. And then I have that expertise and that focus on developing and build that. But it's hard. It's still hard, takes a lot of time. And so, I know that I've got to drive this to automation. So, as I'm even doing the podcast and trying different ... I'm trying different ways of doing it because I'm looking to find a way that I can get the highest quality content with the least amount of effort.

Rob Dyrdek [00:16:56]

And then eventually drive that to where it's systematized and then I can optimize it over time to where it becomes effortless. And the perfect example of that is Ridiculousness. I shoot 250 episodes a year of television and it's exactly 4% of my total time and 12% of my total work time in the year. So, it's a ... And that is from extraordinary levels of getting it automated and then getting it to deep levels of optimization, from shooting 2 episodes over a 12 hours period to shooting 6 in a 4 hours period.

Rob Dyrdek [00:17:40]

That's the depth, and reducing pre-production time from weeks to half hours. That's the depth of optimization over time. Now, you've got to manage your capacity. You've got to know when you do something new that it's a lot ... It takes way more energy and all this stuff. And keep in mind, this is ... I have an 80 page document called The Rhythm of Existence that is basically the operating system for my life, and it's managed by my chief of staff and 2 assistants.

Rob Dyrdek [00:18:13]

And that goes down into the food that gets delivered and how the cats are handled, to every last aspect, to getting a haircut every Friday at 9:30. All of these things that I can eliminate that ... And of course if something occurs, like oh, a pipe breaks in my house. I'm not like ... There's a leak and all ... I don't even have to think twice about it. The system is built to come in and handle it. Where that could break a normal person during the day of oh, I've got to call a plumber, whatever it may be.

Rob Dyrdek [00:18:50]

But again, this is from the lens ... I refer to it as a machine mindset. How do you get to where everything is automated and you know your capacity ... To me, it's ... I did so much in the spring. Launched the foundation, launched the podcast, launched ... Doing a whole paraline,



entirely new brand, launched Mindright, Lusso Cloud, our footwear brand, all of these things and started doing press again and podcasts. I didn't do it for years. And man, I was pinned against it. I was pinned against it.

Ryan Moran [00:19:31]
Against your capacity, you mean?

Rob Dyrdek [00:19:31]
Yeah. I overshot it. So, I had to make ... And then what was suffering was how I was organizing all of these new things inside my business flow structure, which made me have to stop. But you know, when you get over capacity, it's like anything else. You don't just ... I've got to get back. I've got to ... Because you are experiencing in the present what you created in the past. And what you get to do in the future, you get to create in the present.

Rob Dyrdek [00:20:06]
And I knew I had got myself here, so now I couldn't just stop, I had to now build a plan to get myself out of it, and part of that was I had to restructure even how I built my company and categorize it into 9 separate divisions. And then on Mondays, I had to switch my Mondays to half hour calls with the heads of every single division and spending 2 hours in the morning organizing what I want to speak to them, make all of them do hot sheets that all go into my main hot sheet that allowed me to make sure that we were on the same page and never ... All of our priorities were in order so I could start each week clear and have everybody clear.

Rob Dyrdek [00:20:48]
Rather than before, I tried to just let the standing meetings fill in the blanks, but you can't do that with so many integrated moving parts when you're trying to build something at this level. But I felt it, and immediately stopped and then reorganized the ... And that's a big reorganization when you've got to restructure the way your company even works and then restructure your entire weeks and force everybody to kind of follow behind.

Rob Dyrdek [00:21:17]
But then I immediately got back my capacity, started to automate how we dealt with the different group and different things, and then my capacity got back to manageable and no longer putting pressure on me.

Ryan Moran [00:21:29]
Yeah. I'm really glad to hear you say this, selfishly, because I'm going through a similar transformation myself. And my wants to figure everything out part of my brain wants to know



how you did that, but I assume that that starts with just that commitment to protect happiness, to defend happiness, and to protect your capacity knowing that you're only going to have 30% of your time dedicated to this. And when you're up against that, now being proactive to create the next chapter. Am I summarizing you fairly?

Rob Dyrdek [00:22:03]

Yeah, and look, and it goes back to that commitment. I wasn't like oh, I got to carve into my wife time or my kid time. Yeah. I was not ... Because that's what most people do, especially super driven people because I consider this system I've created to protect me from me because my old tendency was to ... I've got to work for the next 3 days, 18 hours a day to get caught up. And it's like, that's not sustainable because then I would just then be exhausted and ... Even though I haven't done this since I've been married, it's how I used to be pre getting married and kids, but back then I would just work so hard, then I would need to go party and relax for a week because I was so continually fighting the balance over and over.

Rob Dyrdek [00:22:56]

But your commitment to it is what ... And then it's awareness. You have to ... I track every single hour of the day and I have it all scripted. There's these scripts and it's all automated and pumps into these dashboards and I tag them so I have these beautiful dashboards of how I spend my time exactly. It's extraordinary. So, I could show you not by ... I'm not saying I'm balanced, I could show you the numbers of how balanced I am.

Rob Dyrdek [00:23:25]

And so, what that does is just ... And that's extreme. Most people aren't willing ... To me, it's just how I live now so I don't even think twice about it but when I started, it was like oh, this is crazy, you're tracking every single hour. But it's like, you've mastered time. And when you understand how you spend your time and then you lay that on top of how do you feel, you're mastering your energy. So, when that becomes your commitment, you don't ... When you get over capacity in work, you know you have to figure out a way, and that may be releasing something or stopping to do something, but you get good enough to ...

Rob Dyrdek [00:24:10]

When you look at everything like I design it, automate it, optimize it, you get really good at understanding being patient of I've just got to get this to automation, then I can make it better and better so you can give yourself 3 or 4 months to get something to kind of ... You know you're taking it there rather than feeling like this is just too much, I need to stop doing this. Making these reactive sort of decision makings.



Rob Dyrdek [00:24:36]

But to that, I also ... Every single day of my life since 2014, maybe not every single day up until the last few years, but I would track 0-10 how I feel about my life, how I feel about my work, how I feel about my health. So, this is qualitative data. And what I found is that I look at the world as half full or half empty. I realized that when I was below a 5, I could pick apart why I bought a couch. I'd be like, why'd I even buy this couch? You know what I mean? When you're half empty, you just ... You are just picking apart the most random things. You're in this total reactive state. You're in this negative state.

Rob Dyrdek [00:25:31]

But when you're above a 5, you're hopeful. You feel like oh, stuff hits you, it's like okay, whatever. But what I call this, qualitative awareness, where I began to ... Because what happens over time is you begin to see the same things pull you down and it becomes so clear when it's like ... It's like one person you work with, and it's so clear that every time you get into a state below when you wake up and track that number and it's like, when you think about it you're like oh, it's because I fought with this person I work with, I had this disagreement.

Rob Dyrdek [00:26:07]

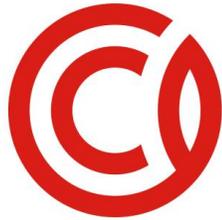
And it's like, that happens 3 or 4 times. It's like okay, I have to change this. And I think even for me, one of the big ones early on was I didn't understand finances. I just didn't understand finances. Money was confusing to me. I just worked really hard and made a lot of it, but didn't understand. It was this plague. I had 3 or 4 investment advisors and I just ... I had no idea what type of return it was making. And ultimately, that financial aspect of it led me to ... You have to learn exactly what you want out of money and ultimately what does money mean to you?

Rob Dyrdek [00:26:57]

And I think when I finally ... That was a huge breakthrough because I was in that state of just keep working hard and just keep trying to make money and eventually you will make so much money that you can figure it out rather than really understanding money, understanding what you want it for and what it provides you, and then learning to grow money, assets, and value was a huge change for me because I quit high school, had a normal hard-working middle class family from Ohio, they never had any money.

Rob Dyrdek [00:27:34]

Nobody taught me. I was raised by entrepreneur wolves and it was just risk over everything. If you want to do it, you got to go do it. When I was young in my fantasy factory and Rob & Big days when I was just doing thing after thing. Oh, okay, now I got this television platform. I'm going to do this and this. Okay, I'm going to start this show. When I'm just doing thing after



thing. I used to say Dyrdek enterprises, our money is fearless because scared money doesn't make money.

Rob Dyrdek [00:28:05]

And it's like, that is a very valid statement, but my money wasn't fearless, it was reckless. I wasn't doing calculated risk investments, I was just being reckless with money. So, I thought it was more a badge of honor to make a million and lose a million versus really understanding that no, it is about long term value growth as someone like me would have never learned. And they don't ... Regardless of what state you are and where you come from, learning and understanding money is still this extraordinary elusive thing because people don't share philosophy of what they do with their money because they don't want you to go do it and lose money and then it's their fault.

Rob Dyrdek [00:28:55]

There's this really taboo way of sharing investment advice between peers and just how to learn it in general. It's like, get a wealth advisor and give them your money to manage it. And then really, that's just ... 90% of them are just driven to make a commission off of your dollars and have no downside if the market turns on you or your investment turns on you because they get paid a fee to manage your money. You know what I mean.

Ryan Moran [00:29:26]

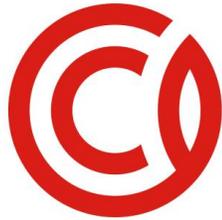
Yeah. You are preaching to the choir right now, Rob. I actually feel very convicted right now because I'm definitely guilty of having those swings of burnout, needing to recharge, burning, need a recharge. And what I'm encouraged by is hearing you say that you can actually plan ahead of that by protecting how much capacity you give to each project. I'm curious how that applies into the Dyrdek Machine because you have people who come in, and you're not an incubator, you're not a VC fund. You're working with brands that are often in the idea phase where you don't know if it is going to have product/market fit or not.

Ryan Moran [00:30:08]

And yet, I've heard you say, when talking about it, that your goal is to win on every single one of them. You know that early stage is going to be chaotic. So, how does that apply when you're walking into a new opportunity and empowering whoever is at the helm of that new brand?

Rob Dyrdek [00:30:26]

Well, look, most people don't set out to master the idea stage of business development because it is the greatest chasm in all of entrepreneurialism. And so, for me, I realized early on it's what I absolutely love the most. And so, it's the most exciting, it's the most fun, until you



launch and then it is utter and total chaos and just ... You realize everything you don't know once you get there.

Rob Dyrdek [00:31:03]

Now you do that with a purpose, with a system. So, I realized that, okay, this is sort of the phasing that happens. It's always discovery, diligence, build, launch, scale. And so, if I now have broken it up into here, now I was like okay, I want to build from the idea stage, so that means I've got to get across the valley of death to product/market fit and as you do it more and more, you begin to see what I consider business and entrepreneurs through a multidimensional lens where when I first started doing it through the system, all the ...

Rob Dyrdek [00:31:52]

Because I consider them almost like vintages of wine. I've got my 2016 companies, my 2017 companies, my 2018 companies. It's like, because you can ... I keep evolving because my knowledge of how to build a company used to be like this, now it's like this. I used to look at it as you've got brand minds and business minds, and I was both of them, you put it together. After launching 10 businesses in the first 2 years and seeing all of the different sort of struggles and evolutions depending on the type of entrepreneurs, because I always ...

Rob Dyrdek [00:32:31]

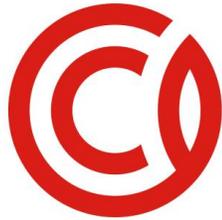
When I first launch it was do or die or entrepreneurs. I'm about the person. I'm betting on the person over everything. Give me that grit, fortitude, ambition, and determination, that unwavering belief in themselves that they can create this vision and that work ethic. But that is literally just the engine. But the engine is pointless if you can't find harmony in how a business actually operates.

Rob Dyrdek [00:32:58]

And I realized that some of these extraordinary do or die entrepreneurs were really just great brand and marketing minds but don't fully understand product development, sales, and certainly don't understand operations or finance. I really saw, as I began to develop that, that it really ends up being the greatest CEOs are creative and right and left brain, but have general knowledge in brand, product, media, marketing, sales, operations, and finance.

Rob Dyrdek [00:33:36]

So, they can see how the entire engine of a business works and can build strategy to make sure all of it works together harmoniously because the product people could care less about what the contribution margin is, and marketing people could care less of where the product line can scale to because they're just like give it to me and I can sell it, you know what I mean, type of



vibe. So, it's the idea of when I began to see it through that lens, now you become more and more intuitive on the type of ideas and the type of entrepreneurs you'll even build with because at the end of the day, I'm still ...

Rob Dyrdek [00:34:22]

It's no different than I talk about life and goal setting and anything else. It is really exciting in the idea stage because you're not doing anything yet. Then when you're just building the plan of what you're going to do, ooh, it's amazing. But when you go and do it is where the pain starts and for us, we want to ... We're ultimately mastering how to accelerate the product/market fit because what happens is we go from weekly meetings to quarterly meetings to just call me when you need me, versus ... Which then releases more capacity.

Rob Dyrdek [00:34:59]

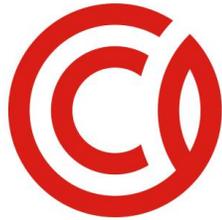
And then the higher the quality the entrepreneur, the better the idea is, and the clearer the value proposition and how ... And much more clear the consumer is and where that adoption is going to come from and how you're going to speak to them and convert them, when all of that is clear, you're going to have a much more accelerated path to product/market fit. Now, god forbid, you throw on unfair advantages like celebrity investors and earned media opportunities, all these other things and use your own platform to drive this already very thought out sort of pathway to success, that is where for me I get to experience the joy of creation and go through the process.

Rob Dyrdek [00:35:45]

But I get to hand you off and help you put all the bodies in place that you can now go and grow and scale because you don't build a company, you grow a company. It is an organic, living thing. It's not a plan that you do, it is a living, growing thing that you have to constantly be nurturing and optimizing to maximize its true opportunity.

Ryan Moran [00:36:11]

So, let's walk through an example of this because you and I are co-investors on at least one project. The one I'm thinking of is Outstanding Foods and they've gone from zero to 1, 2, skip a few, \$100 million in 9 seconds or something like that. They've done a great job of positioning themselves in the marketplace, getting distribution. And I'm curious what your involvement was in that business from the beginning because their first product did not hit the awareness that they needed it to in order to have liftoff, and then they had a couple follow-up products that hit and now the business is growing. So, what was your involvement in the beginning stages of that, of getting it to that liftoff it needed?



Rob Dyrdek [00:36:58]

I mean, look, it's ... Outstanding Foods is also part of my 2016 vintage when I first ... I actually met him ... Lewis Howes introduced us, would be September, October of 2016. And initially for me at that time, at that stage I was super obsessed with all things financial because not only did I go onto where financial models used to be weird science to me, I didn't understand it, when I finally really learned I began to fall in love with financial models and I really began to see, oh my god, the matrix that is a business is ... Where I used to think it was through the brand where now I really believe it's through the lens of the financial model.

Rob Dyrdek [00:37:53]

And where some of your smartest and most creative work as to be done. And at the time I was just deeply obsessed with building out these financial plans and when I was presented with the idea, it started first with this is a pigless bacon chip, that's an umami mushroom that's fried and tastes like the most delightful piece of bacon chip ever that's plant-based. 25 year vegan, 25 year vegan product development chef. It's like, man this is special. I'm like, this is so much bigger.

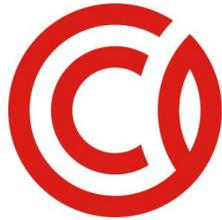
Rob Dyrdek [00:38:32]

At the time it was called Fresh Soul and it was the pigless bacon chip by Fresh Soul. And I'm like man, what is Fresh Soul? I'm like, you just invented an entirely new category of chips and you're not taking on ... You're not Hampton Creek and Beyond Meat. You're taking on Doritos. You literally have an entirely new snack vertical to open up. It just happens to be plant-based and it's delicious. And really pushed him to rethink the positioning of the brand. Be more aggressive, be bigger.

Rob Dyrdek [00:39:12]

I'm like, at the top, it's not necessarily about plant-based, it's about taste and initially I was like oh, call it Veg-ilante, be aggressive. And he hit me with Pig Out and it was like man, that's a little too aggressive. And then it was like, but I don't know. And then we started talking through then it could be Outstanding Foods could be the parent, then it could go Pig Out, Chicken Out, it can go into all these different verticals. It really then became and formed this sort of life feeling in that process. Then we went through and completely went through the process of creating the entire brand together and going out and developing sort of the look and feel and eventually creating Bay the pig and all these sort of things and making this great amazing brand.

Rob Dyrdek [00:40:02]



But what I learned through Bill Glazer is man, this is a multidimensional CEO. He's super creative and can be very open to how you can evolve brand storing and positioning, but it was one of the most beautiful tactical revenue models I had ever seen from anyone I was looking at from a business perspective. Then it was that financial background. It was the first time that I truly met a financial backgrounded individual that had a creative mind. And so ...

Ryan Moran [00:40:35]

Would you clarify what you mean by the financial model and the financial background? I don't know that part of the story, but also I don't think of a snack and foods company as having a great financial model because the margins are really low. So, could you clarify what you mean?

Rob Dyrdek [00:40:52]

And so, to me it's, number 1, he had an investment banking background. So, he came from much more from understanding creating value, raising money, and what it is. And so, as it related to the tactical operating model, it was product for product, store for store growth on sort of, okay, this is what online needs to be. Here's going to be our first retailers. Here's where we're going to grow to. Here's how our margins are going to grow. This is what our [INAUDIBLE 00:41:29] costs.

Rob Dyrdek [00:41:30]

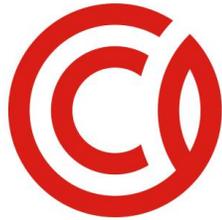
Yeah, and the difference is so often, and you know, it kills me because I got one the other day because I just allow people to make video pitches and send them to me on my website. Rather than send me a deck, you've got to make a video if you want to get in front of me. I'd rather feel your energy and hear your vision. And I got the age-old here is ... The 1st year we're doing \$35 million and the 2nd year we're doing \$125 million. It's like man ... And I want to say man, you can't create a bigger red flag.

Rob Dyrdek [00:42:10]

I mean, some high net worth individual who does not understand money who's never going to look at the model who's buying the vision, maybe. But when you say you're going to do \$35 million in the first year and you've never even done ... This is the first time in this industry, there is not a chance on earth that's going to happen. And all that says is you just don't understand how money works. You don't understand how a business even works in the first place.

Rob Dyrdek [00:42:34]

So, I digress to it was the most thoughtful model as it related to every single detail that was real and the problems with the margins and how you have to ultimately ... Where you're going to capture that margin at scale and how you earn it all back and the milestones you've got to



hit. It was the most believable financial model I had ever been presented with and I think even people that start business and try to raise money specifically and don't come from a finance background and don't understand how to create or manage their own model, what do they do? They hire somebody to build a model for them. And so ...

Ryan Moran [00:43:17]

Or they pray.

Rob Dyrdek [00:43:18]

Yeah. Well, look, they hire somebody and 9 times out of 10 they'll hire a guy that does accounting for software companies to try to build a CPG financial model and doesn't even have clarity or understanding on all the costs and expenses that go into a CPG business. So, it's that level of detail that ... Now, again, I was the same way. I wouldn't ... I started companies for years on financial models I didn't even look at or understand.

Rob Dyrdek [00:43:50]

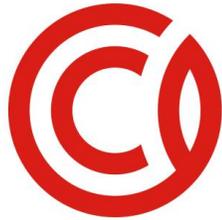
I raised millions of dollars on financials I had nothing to do with and didn't understand. And it's like, I reflect back on when the tougher, realer investors would ask me simple questions that I wouldn't understand, then had no interest in investing in me, and I'd be like why? I've got all this energy and passion, look at what I'm doing. And it's like, now I get it, you know what I mean, where it's just like you just don't fully understand this. You don't understand the business multidimensionally, and that again is ... I only started learning that with Outstanding Foods.

Rob Dyrdek [00:44:29]

So, even as we developed it, co-packer issues, supply chain issues, the umami mushrooms, all this stuff. And he was smart enough to ... This is way more problematic, I'm already late to market, I'm starting to burn money, and pivoted into the pigless pork rinds seeing the pork rind and keto wave going, like alright, I'm going to go into this and then lightning in a bottle. Lightning in a bottle. Launched that thing, it exploded into what it is and then saw, wow, here's this functional ... Here's this pathway of more functional products.

Rob Dyrdek [00:45:04]

Even the original product line that he had intended, he bailed on based off of how much success he was seeing and he's extruded to puff products and scaled into the Outstanding Puff and takeout, launched takeout. And then had to transition it to Outstanding Puff. But that's a perfect example of what you continue to deal with as you're building and scaling a business at a different level. But that's the process and I learned so much as it relates to supply chain can just get you ... Co-packers, you can just get ...



Rob Dyrdek [00:45:42]

There's so many waiting time bombs inside so many aspects of a business. And why founder market fit is such a huge thing for me at this point because there is ... The learning curve of learning a new industry or new supply chain or new different thing is so big as an entrepreneur. It doesn't matter how good you are. You step into something new and what happens to great entrepreneurs who hate their existing industry because it has all these drawbacks, low margins and returns and shelf stability, all this, the things that they hate about it. I'm going to go do this because this has long length stability and all these things.

Rob Dyrdek [00:46:21]

But they're only seeing it through the lens of what their industry that they don't like about it rather than looking to their industry, and how do I see an opportunity in my expertise and try to build something in that? That's what I've really looked to hunt for more than anything these days.

Ryan Moran [00:46:40]

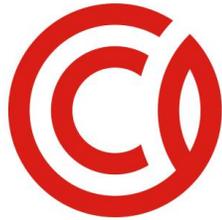
Rob, you mentioned that people will send you pitch videos about the projects that they're working on, and it also sounds like you really love to be involved in that ideation phase of the business. For example, I did not know you were that involved in the idea phase for Outstanding Foods. So, when an entrepreneur comes to you ... There's often this perception in the entrepreneurial world that it is difficult to approach somebody who has pull in the media or who has a big following or who has capital, so there's hesitancy over approaching someone like you that has both capital and a following. How do you like to be approached when somebody is pitching you in one of those videos?

Rob Dyrdek [00:47:24]

Look, I don't ... It's still fundamentals, you know what I mean? At the end of the day, it's still ... On a recent podcast, I've been doing these monologues and what I try to tell people is money loves clarity. You are pitching someone as an investor because they want a return on their money and when you can tie together this is why this is a product that has a unique value proposition, here's the people that will buy this, this is where they are and how I'm going to get to them and how much of it they're going to buy, and then this is how much it's going to cost me to get them to buy it.

Rob Dyrdek [00:48:12]

This is how much the product costs. This is how much we make. If we make this much money and grow at this rate, it creates this much value that this person would buy it at this multiple. It



is like ding, ding, ding, ding where there is this beautiful, simple way to talk through why the opportunity can be a great return and most people try to sell passion. You know what I mean? I got this amazing idea. And look, what I like about the videos, you can really tell somebody's experience and knowledge on how they talk about their idea for 10 minutes. You can see this is a product person, this is someone that came from sales, this is someone that's got ... A brand person that just sees a product.

Rob Dyrdek [00:48:59]

This is someone that just read an article about RXBAR being sold for \$600 million. Here's the next RXBAR. It's the ... But have no even understanding what that really means. They just ... I have this idea and someone will buy it for \$600 million. I think that sort of lens is the ... Is what it is. But it's also, when it's ... Just pitch me. I get ... They're all fascinating, man, and it's really why I've transitioned to talked to a lot of people that pitch just to give them advice, like hey, I wouldn't do it but you should consider thinking about this when you talk about it and all this stuff.

Rob Dyrdek [00:49:43]

It's why ... I just really enjoy sharing my thoughts because I think a lot of people have interesting ideas that are one step away from man, if you just thought about it like this and approached it like this, here's where your actual opportunity is. And I find it super humbling and always like, it's so nice that you went through all this, you made a video and came to the site and uploaded. It's not like we promote it that much either.

Rob Dyrdek [00:50:12]

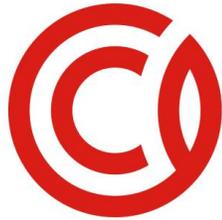
We do some posts on social media here and there, and for people to constantly find it and do it, even though we've been doing podcasts with different people that have pitched, it's still super humbling every time I get one.

Ryan Moran [00:50:23]

Yeah, this is why ... We make all of our Incubators put together a pitch like that, A, because it gives them the clarity they need to be able to do it, and 2nd because it prepares them to go out to an investor or an influencer or an advisor and make a clear, concise ask, whereas most people are just saying here's my problem, please fix this problem for me.

Ryan Moran [00:50:50]

I wanted to wrap by asking you about something I've heard you say on The Impact Theory podcast which was you said that in your mind, belief doesn't just matter, it's everything. That



was the fundamental thing that had to be in place. Would you expand on what you meant when you said belief is everything to you?

Rob Dyrdek [00:51:13]

Look, I think particularly in that one I was kind of going through the idea that only people that lose belief give up. And to me, it's like, whether it's self belief, whether it's your belief in an idea, you grow that and how do you grow that? Well, it's ...

Ryan Moran [00:51:37]

You grow your belief, you mean?

Rob Dyrdek [00:51:38]

You grow your belief. And because it's like, in the beginning you want to do an idea, you go and learn about it. You're growing belief in the idea. Then you build a plan, you share that idea, people validate it. Oh, that's amazing. Then you're like, I think this is going to work. Then you start building the plan, you start learning and seeing it, you're like oh, this is it.

Rob Dyrdek [00:52:01]

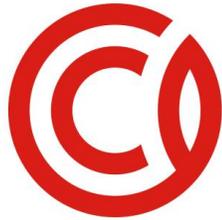
And so, now if you fast forward, now you launched this idea and you're back to, how I was saying earlier, these milestones are where you're growing belief and you're learning more and making progress. You're like man, I can really do this. You get to the 1st milestone, you're like, man. Now you see the 2nd one clear of what you've got to do. You start to really generate belief that wow, I'm going to actually accomplish this. This is actually going to work.

Rob Dyrdek [00:52:34]

And to me, I just think that people underestimate that where confidence and self belief and belief comes from in general is it starts first with how you were raised and the foundation of your early success. That basically starts you with a foundation. Now, it's on you to determine what are all the things you have to do to grow that within yourself? And that is especially true in business but also in life.

Rob Dyrdek [00:53:09]

And then when you become really good at something, what do you do? You're an expert, you have confidence, you have belief in yourself like others have belief in you. It generates all of that together which ultimately leads you towards expertise and ultimately something taking less effort that gives you more energy than it takes, too, in the sense of how powerful belief is in everything that you do.



Ryan Moran [00:53:36]

Yeah. I used to kind of stress out about this because I agree that belief is required, but if I didn't believe something yet, like if I don't believe that I can have a \$100 million dollar exit, or a \$1 billion dollar valuation, or whatever, if I don't believe that, I would beat myself up over that. Why can't I make myself believe this? But to your point, it's more like a muscle that gets built and you find more evidence for it, and you choose to kind of operate ... That might be where faith comes in. It covers the gap of what you don't yet have evidence for. And then you eventually find evidence as you gain more clarity and gain more capacity.

Rob Dyrdek [00:54:18]

Yeah, but make no mistake, faith is the bridge but when you lose belief completely, faith is gone. You can't ... You're not going to keep being faithful when you're just not ... You go to where it's not going to work. And how do you get to be knowing you can do a billion dollar valuation or a \$100 million dollar exit is you grow into that.

Rob Dyrdek [00:54:45]

It's like, when I decided in 2016 I was going to build and sell 30-50 companies and make a billion dollars in liquidity, when I did that I had never sold a company in my life. I had never built and sold a company in my life. It was like, but this is what I'm going to do. In 2019, we sold 4, 3 years later. And it's like, when you sell the first one, and it's like oh, woah, what? Look at us. Then one you built from scratch, now that gets acquired and a huge pay ... It's like, okay. Yeah. I really ... Now I've been through it. It's going ...

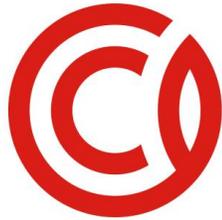
Rob Dyrdek [00:55:27]

And it's like, now there's ... Not only did it help push me into the person that I ... The ideal version of who I wanted to become on all aspects but then it has built this deep core level of belief where it's like every one that I do, I know it's going to go on that path. And if it's twisting or turning in some form or another, I know it because in the beginning it was like, well, only if ... Well, if this doesn't happen, then maybe it won't.

Rob Dyrdek [00:56:06]

So, when that thing starts happening, it's like man, okay, well, at least I saw the one hole that was potential in this thing not finding that way. I know how to look at that again in the future. You know what I mean.

Ryan Moran [00:56:19]



Yeah. So, Rob, I want you to know that Build With Rob is becoming my new favorite podcast because it's so specific into the deals that you are doing. I really enjoy that part of it but I'm curious what type of deals you look for now.

Rob Dyrdek [00:56:34]

Yeah, look, I mean, I'm ... I still want it to be idea stage, and I would never do anything that's post-revenue. So it's not like ... And I would do a deal with someone that has an idea that I can help shape as long as it has very little capital in it. I still want to be first capital in and the most significant stake next to the co-founders. And I want to co-found ... Almost everything I'm co-founder in. And occasionally, I'll do these sort of they've done the brand development and I just believe so much in them that I'll do it with them but there's no ... It's industry agnostic and really I'm ...

Rob Dyrdek [00:57:20]

My principles ride through all entrepreneurs and all ideas. It's a matter of running them through that filter and it's just so clear to me when it's the right entrepreneur and the right idea. You go ... Once you've created everything in such a system and your knowledge becomes so deep, you transition to efficient, effortless, intuitive decision making and you're feeling so much purer because I can have a conversation with an entrepreneur about their idea for 10 or 15 minutes and really understand their skill set, the potential, the idea, then I go and validate that through immersions and data.

Rob Dyrdek [00:57:59]

Then I like to take my own insights to then shape that a little bit more, then say if we can do it like this, let's go. So, that really ... Look, I have a water filter system coming out, I'm looking at adaptage and beauty brands, I have a cannabis sparkling water coming out. There's all of these different things that I'm constantly looking at and evolving, and really open to do just about anything if it feels right with the right founders.

Ryan Moran [00:58:30]

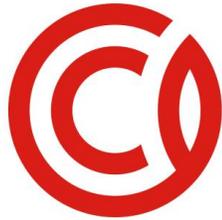
Rob, I hope I am like you when I grow up, and my takeaway from this is defending happiness at all costs is step 1. Everything else comes to that.

Rob Dyrdek [00:58:41]

That's a good way to live.

Ryan Moran [00:58:43]

Thank you so much for being here on Capitalism.com. It was a joy to meet you.



Capitalism.com
— B E T H E C H A N G E —

Rob Dyrdek [00:58:46]

Thank you. Thank you.

Ryan Moran [00:58:48]

If you listened to this entire episode and you're thinking man, I want to have an idea that lights me up so much that I can present it to Rob or Ryan or just have that type of launch that gets me excited to continue to go through the hard work and build that confidence and that belief that I can have an 8-figure exit or a 9-figure exit, if you're thinking that right now, it's time we work together and you can do that inside of our Incubator. Just go to Capitalism.com/inc. That's inc. And we can help you get clear on your vision, launch profitably and build the foundation of a business that you can scale and sell. Thanks for listening. I'll see you guys on the next episode. Take care.