The Tim Ferriss Show Transcripts
Episode 132: Chris Sacca
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Tim Ferriss: Hello, boys and girls, children, and squirrels, this is Tim Ferriss and welcome to another episode of the Tim Ferris Show. This is not one of my normal deconstruction episodes where I interview someone. This is an in-betweenisode, but a very, very valuable one, I hope. It is with Chris Sacca, who is recently the cover story of the Midas issue of Forbes Magazine. He was on the cover because he is a newly minted billionaire and the proprietor of what will likely be the most successful venture capital fund in history, Lowercase One. He's an early stage investor companies like Twitter, Uber, Instagram, Kickstarter and many more. Also wears cowboy shirts, has a gray beard, and is hilarious.

In this episode, he answers all of your most-pressing questions, and they were voted upon, and he takes the most popular, the most interesting, and give some fantastic responses ranging from life advice to business advice and everything in between. Without further ado, please enjoy this episode with Chris Sacca.

Chris Sacca: How's it going, everybody? This is Chris Sacca, but because of this microphone and these headphones, and this fancy podcasting setup that Tim Ferriss made me go buy so that I could do this update with you, I'm feeling pretty hip-hop right now if you look at me. I asked some of you for suggestions for the name. I like Sir tweets a lot, the unicorn chief aka DJ Sacajawea, aka MC140, aka Saketumi, maybe DJ Term Streets, Cowboy Shark, MCVC, or even Saccacon.

I think I'll go by any of those handles and more. In fact, at the end of listening to this, if you have other suggestions for my DJ handle, just put them up on Twitter @sacca. Meanwhile, you, guys, were very cool to put up a bunch of questions on Reddit. Following my discussion with Tim, it's always fun to talk to Tim that particular discussion was in the midst of my 40th birthday celebration, so we were foggy but having a good time. I really appreciate the question you, guys, put up.

I am going to try and tackle a bunch of them. Tim asked me to do 5 or 10, but let's see how many we can bang out for real life responsibilities catch up to me. One of the first questions I saw was hiring and finding a good technical co-founder versus exporting to a mobile web development company to retain equity. This is always challenging just because I think one of the first questions I get asked very frequently is where do I find a good technical co-founder. I think you can just go to where the geeks are hanging out virtually and physically. You can go to hackathons, you can hang out in GitHub, in Hacker News, and in places where geeks are. I think you'll find that if you're non-technical yourself, you'll find you're actually more helpful than you probably thought you were or that you could be.

I would encourage you to just not find the process of finding a technical co-founder so daunting as much as you may be envious of their coding skills, they probably have a quiet respect for the other things at which you can be helpful, the other aspects of the business as well. That said, what I've seen when people outsource their mobile and web development, particularly for a tech-oriented company, is that just put a glass ceiling on the company. You usually can get a first and a quicker round 1 and round 2 of your product, get your MVP out there, but then you're stuck with the code base that you can't really expound upon or improve in any way, and you end up tearing it down starting from the beginning. At a time when your users are most excited, and you're most excited about building something for the future, you don't really have the tools to improve it. That's been incredibly frustrating. I think double down, get that technical co-founder right upfront and I think that will put you in the best spot.

The last part of your question is about retaining equity. Don't be short-sighted about retaining equity in the early days. Anyone who's going to come on and be worthwhile is going to be worth a chunk in the company and if they're not, take it back. The next question here. If you were to give a commencement speech tomorrow, what would your message be? My first message would be congratulations to all of you who are graduating in January. Those have a much longer spring break; it will be great for them. That's it. I gave a commencement speech in Minnesota few years ago. I was pretty proud of it. I think it's probably Youtubable, and Tim has a great way of posting links of these things on a site.

Chris Sacca: When I was at Carlson School of Management up at the University of Minnesota, and I will say it was funny because they contract me for that speech through my agent. We agreed upon a fee. I put a lot of heart and soul every time I talk publicly, and so I showed up to do a speech. I didn't realize they actually had me give the same speech 3 times to 3 different graduations that day. That was intense, but I had a really great time. They filled up this hockey arena in 3 times I gave a speech and I actually think I got better. I took notes. I saw which jokes got no reaction and gave the speech. The core of it was to be your unapologetically weird self. I think authenticity is one of the most lacking things out there these days and that as people strive to all, had their life, their resume and their credentials, we've started to miss out on some of the fun educations that makes life interesting, and that make us want to be around other people, and that make us helpful, and valuable.

I spent an hour or so going on that stuff, so I encourage you to go check out now because I think it holds up now. Next question, what are the keys to success for an amazing disco night. Good memory. When Tim and I did the podcast originally, it was indeed about to be disco on Necker Island. We were on Richard Branson's Island, celebrating my 40th birthday and I gather a bunch of great friends. Tim was there and, man, it was just a week of really competitive athletics during the day, intense, backend and chess matches, debates about the future of tech, lot of heavy drinking, and partying, and dancing, and you name it. We're lucky to have Richard Branson and a bunch of fun people there with us. What I found from over my years of going to parties that either I've hosted or that

other people have hosted, if you could bring one thing to make for an amazing party night, it's wigs, seriously.

Go to Amazon right now and order 50 mullet wigs. Mullet wigs change everything. I was at a party recently, a good buddy of mine's 50th birthday party and the crew that he had there was a mix of people, some were serious business associates, others are really fun, aggressive party people, there are some athletes, some artists, there are all walks of life, different cultures, too. I brought a bag of 75 or so mullet wigs, and I just opened it up, and I laid them out on a couch off to one of the sides of the party. It was amazing. It didn't take 15 minutes before people found their way over there, even someone like the stage financial people went over there, found themselves a mullet wig that they felt best represented who they are and what they stood for, maybe it was a dog, the bounty hunter style, maybe it was a real short long, maybe it was just a bandana that had a rat tail coming down off the back of it.

Everyone had an opportunity to express themselves and the party just kicked up a notch. It's incredibly inclusive and what you find to is they're even great for women, so like a brunette will put on a blonde mullet wig vice verse, it's fun. The key to an amazing disco night, because you asked, mullet wigs. What are the cases where startups should not take investor money? I think startup should be very wary of taking investor money if they haven't really checked their guts and made sure that their expectations of what is considered a success lines up with what the venture investors expectations of success are. There is this whole category of businesses called lifestyle businesses that you'll hear mention with disdain in the venture community as if those companies are some kind of failure. The lifestyle business usually refers to something that's not growing particularly fast but it's throwing off enough cash for the founder and the employees to live comfortable and no arguments here, but it's not growing 10x year over year. It doesn't look like it's going to go public anytime soon. That's a lifestyle business.

Generally, VCs look down on lifestyle businesses because they, themselves, the VCs have investors whose expectations are huge rack, stacks of chatter being pass to them at the end of the VC bond. When a VC puts money into a company that evolves to become a lifestyle business, that's a bad result for a venture investor and yet that might be a great result for you, the founder. In fact, you guys are all fans of Tim, and if you read Tim's books, and follow the people he highlights, many of them have successful pulled off lifestyle businesses, work relatively balanced hours, generate income, live by the beach, have some control of your own destiny, that's great. It's like the definition of American success but that doesn't necessarily align with what a lot of investors are looking. I think you shouldn't take investor money unless you are confident that you and your investors define success in the same way.

Which person would you most like Tim to interview? Tim and I talked about this sometimes and he's approached me about people that he wants to interview, but I have a different take on it. I would like to see Tim interviewed by somebody else. I would like to see Tim interviewed by God. Does that work? Does that sound like God right now? Tim, it's God here. It's been a while. I haven't heard much from you since you started having

Sam Harris on the podcast. Anyway, let's dive in. Question number 1, your fridge is constantly filled with your own blood and urine samples yet you keep praying to me, asking me to convince the perfect girl to settle down with you. Drawing any correlations here, my little Tim Tim? I think Tim just learned that there are much deeper cause to having your friends by their own audiovisual equipment for your podcast.

The question was who should Tim interview. I think I want to turn the tables on that. I think Tim is an amazing interviewer. He's got a really unique perspective on identifying guest, convincing them to come on the show, the kinds of questions he asked them, what he learns from them and translates to all of us to be able to act on. It's unique in this world. Tim really is one of the best interviewers in media. That said, very infrequently does anyone interview Tim and as a longtime friend of Tim's I know where some of the bodies are buried. I've been with him through thick and thin. I think we have some other fellow friends who do as well. What I propose is that we bring back a panel of interviews from past episodes to turn the tables on Tim, put him under the light and see what we can get out of him. I want to hear what you, guys, think about that and team up on your socials, and let's see if that's a doable thing.

One of you ask, what's your best advice for getting down to business when it's getting tough, whether that would be working a late night, or just going for a run. In my mind, those are 2 really different categories but I think I might undertake those challenges differently. In my world, the physical challenge always just seems so surmountable. You can go just get it done; it's finite. You go out for a run and you know how many miles you're going to run, or you run until you stop running but with more intellectual pursuits, it feels like there's no finish line there. It's always really challenging for me because I feel like I could always be doing more and I don't always know when something is done like I do with the physical challenge. I'm even more prone to distraction when I'm doing something that's not inherently physical.

As a result, if I really want to get some shit down, I first focus on the physical space. I want to be out of the way. I want to be clear of visual distraction, of audio distraction. I usually have some headphones on even if they're not actually playing music. More about that in a second. I make sure nothing else is on the desk. We have people who come and look at my workspace and laugh because there are no papers. I got fax machines out of my life in 2006 or '07, or something like that. I really don't have things in the space in which I want to get something done. I create digital space for myself, so I turn off all notifications. We have a committee called Rescue Time that Tim and I are both investors and advisors, and that has a tool that will just basically shut off all the other distractions for you in your desktop environment, but your phone on "Do not disturb." You're not going to miss anything.

Music-wise, sometimes I just wear headphones without even focusing on whether there's particularly good music with them. They send a signal, even a social signal, I am not to be interrupted. That said, I know a lot of people put classical music on but I wouldn't jump to the assumption that that's what works best for your brain. Strangely enough, when I was in law school, a dirty little secret of mine that I ever went to law school and

was a lawyer, but I could not sit still through reading the most boring of books. I tried a bunch of different music types and weirdly what worked for me were Grateful Dead Bootlegs. There were something about them even though they had lyrics that were something about a melodically that I could just zone out that conscious part of my brain and instead focus on reading the books.

For me these days, I listen to a combination of new age and stuff like that like Andreas Vollenweider, George Winston for piano, but I also have been known to put on hip-hop tracks on repeat and I know that some of these have been discussed in the podcast before [Macmillan Wag 00:16:44], who's a good friend and a guy whose company I've invested in. He listened to the same track over and over again when he's coding. I do the same thing when I'm writing. I will just have a song on repeat. Some of those songs I've included the Harlem Shake believe it or not. I can bang through an amazing amount of email with the Harlem Shake going on in the background. I listened to that song Lift Off by J and B. I've just put that thing on repeat for over and over again before to get something done. I think I cranked out a few thousand words with that actually in the background, so who knows?

Generally, what all of this comes down to is whether you are on offense or defense. I think that as you survey the challenges in your lives, it's just which of those did you assign yourself and which of those are you doing to please someone else? Are you out there actually working off your own to-do list, or are you letting everybody else write your to-do list for you via your inbox? I think being on offense requires more work. You have to do the work of writing down the to-dos, of creating the space in which to get it done, of planning the execution, of pushing everything else aside prioritizing your work. I think before we even get to how you arrange your physical space and your digital space, and what's in your head, and getting your food and nutrition right, making sure you have a glass of water, making sure you've gone to the John.

I think the number 1 thing you can do is focusing on am I doing this thing for me, or am I doing this thing for someone else. Okay, you asked, if you could move your family to anywhere in the world and start fresh, what country would you move to? I don't know about starting fresh. I don't I necessarily want to start fresh right now. I've got a pretty good setup. That said, at multiple points in my life, I've certainly uprooted everything and moved even when it didn't make any sense to. Some of you don't notice but despite being what people continually refer to as a Silicon Valley investor, I haven't actually lived in San Francisco since 2007. I moved to Truckee, California, up in the Lake Tahoe, amazing place to live, a great place to live but certainly not a tech hotbed as we think of it.

By that time, I really hadn't made real money in the investing game. There I was the aspiring venture investor moving away from the epicenter of Silicon Valley to a rural region, up in the woods, in the mountains. I did that though because as I referenced earlier, I was going on offense. I was sick of doing coffee after coffee, after coffee of just routine meetings in San Francisco and instead I wanted to go on offense. I wanted to have the time to focus, to learn the things I wanted to learn, build what I wanted to build and

really invest in a relationships that I wanted to grow rather than just doing a day of coffee after coffee, after coffee. I moved up to Lake Tahoe. Again, on paper, it didn't make any sense at all.

As for the few years, just as things in the Lake Tahoe were starting to really make sense. My wife, Crystal, and I on 2 weeks notice decided to buy a house in LA and starts putting our time in Los Angeles. Neither of us had ever lived there before. We didn't really have any business there at all. It just felt like the right thing to do for us. Again, people read into it like, "Oh, Chris is endorsing the LA startup scene or something." There wasn't any bigger than that. It was just Crystal and I decided that that's what made the most sense for us at that time, and so we did it. We made that jump. We love LA, but last year, we made another jump to Montana. We found that there are some things we wanted to do and to experience that were in Montana that weren't in Los Angeles, and weren't in Truckee.
I embody that spirit of just picking up and moving my family. We have 3 kids now, and so picking up moving my family and it's an adventure, and it's fun, and I think it teaches them flexibility, adaptability. It certainly makes you question how many things you on because it's hard to move all your stuff, so you end up owning less stuff. That said, I think the thing that reminds of that I'm most grateful for is how every time I've made one of those moves, I've done it by choice. I think there are too many people on this planet right now who don't have that control over their own destiny or force to make much more drastic moves not by their own choice whether it's on one extreme a Syrian refugee or on the other extreme someone in the United States who's losing their house, or whose job has been downsized. I think it's a moment for reflection that as much as I really enjoy the culture of lifestyle design implicit and it has to be some gratitude. We're fortune enough to make these kinds of choices.

Ultimately, my family will live outside the country significantly. We have 3 kids under 5 right now, so we're letting everybody grew up a little bit, but my wife grew up all over the world. I want to have that same experience for my kids, too. I want them to be exposed to the human condition. I want them to know people of every color. I want them to learn other languages and just have that broad human experience that I don't think you can get living in a wealthy suburb of a major USC. Chris, in light of your admiration of Buckminster Fuller and fascination with sci-fi and musings about the future, what are your thoughts on how human societies can adapt to the increasing speed of tech advancement. Then there were some other questions like this. How do you see your family's day-to-day life changing as virtual reality comes to prominence, artificial intelligence starts replacing a significant number of jobs. Biotext are changing our lifespans and we begin to colonize other planets. Oh, man, this is got dark.

First of all, let me say planet colonization is not a short term concern of mine. The physical limitation to space travel render pretty low on the list for me. It just not going to come up for myself, maybe my kids, grandkids, probably but it's not high on the list for me. Unless you know something about hyperspace, I don't know it yet, so let me know. Oozing back on this other question that I think are truly tough questions about the impact of technology in societal adaptation. I am concern. We approach a lot of the stuff with this universal embrace of progress by with a really engineering-centric focus on what the

measures of progress are. When we think about each year at CES, they show a display with more and more resolution and they show a virtual reality headset with less and less latency, and their incredible technical achievements. Yet what I worry about it that those displays our outpacing the rate of our biological and physiological adaptation.

Yes ago, someone gave me a Sony PSP or somebody at Sony gave me a PSP and I was playing Grand Theft Auto. When I got to the airport, I got in my car and started driving in realized I was driving incredibly aggressively. I was a really asshole driver all of a sudden and it was my brain hadn't totally distinguished between the fiction of that game even though, again, you know the PSP's tiny screen, weird controls, lot of latency, but my brain … There's neural pathway I've been created that told my brain that … It confused it. Was that real or was that fiction? When I got to the real highway, I was driving recklessly.

Now, I'm not making an argument for game censorship, et cetera. I don't want to make this into a bigger discussion, but the reality is that if you've tried a VR headset now, you know. Your brain doesn't really know what the hell is going on, walk up to the edge and you feel fear. You look down and it's scary. That's one of the things that's interesting is that one after one, these advances are technical achievements and I'm really impressed by teams that build these, but I don't think we're making the same investment in the biological and psychological ramifications of some of these things. I don't think it's all bad at all.

I'm an optimist. You asked me a Buckminster Fuller and he is the optimist when it comes to technology. He was the believer that tech could solve all of our problems. He held steadfast that technological progress would ensure that the whole planet's needs could be met in terms of food and education, natural resources, and yet I am and sure you see a digital divide, their haves and have-nots, healthcare divide and education divide, the criminal justice divide, a nutrition divide and yet much of the tech available today doesn't seem to be improving those situations very much. I have this interesting lesson in this.

Years ago, when I worked at Google, I was working for Larry and Sergey. We had an opportunity to partner with Walmart on a big project. It was related to the wireless stuff. We realized there were about 4,000 or so Walmart locations in the United States, and if we put a cellular tower on top of each of them that would have been a great way to build a wireless network. That was one of the things I was focused on back then. I once made some offhanded comment about how partnering with Walmart would be…that would be a dark day for me. Larry and Sergey asked, "Why? What do you mean?" I said, "You guys are fans of Walmart?" They said, "Yeah, it's like the triumph of efficiency. Think of that. Think of all the money that's been saved by consulting everything into massive purchasing power and bringing down cost rather supply chain and central distribution hubs like that. It's an amazing triumph."

They saw it as an engineering and economic exercise. Who can blame them? They're one of the most successful engineering and economic pairs ever, but as someone who grew up in a small town where the downtown was replaced by a Walmart out of the center of

town, I saw Walmart as the catalyst for a lot of American downtowns being abandoned. I saw a lot of people losing their jobs and their identities, and the control over their own destinies. It was interesting to be sitting in that room with them and have those 2 completely different perspectives on that company because of how we'd grown up and what we've been exposed to in the lens through which we saw the world and how we evaluated successful outcomes. To bring this back to your question about the future of technology and societal adaptation, one of the things I think it's hard for me to do is to put myself always in the shoes of those who are going to end up on the wrong end of these equations.

One of you asked a question somewhere postulated that it would be something like in the future, 30% of us would have it good and 70% of us will have it bad. I actually think in this current path it's going to be way worse than that. There were way fewer people who have it good and the rest will struggle. In the old economy where people used to have careers and pensions, and benefits, that doesn't exit anymore. It's been replaced by people who are called associates who work hourly, who don't really qualify for benefits, who don't have a safety net. There's scary implications to that. I saw a comment recently on Twitter about how the future will basically be 10 trillionaires and the rest of us will be taking trends serving Venti espressos to each other and driving around in each other's Ubers. Obviously, that's intensely dystopian, but there's a trend line pointed in that direction.

Yet what I worry about is that it's hard for those of us who are even listening to this podcast right now to parse that because when you think about your day, when you think about your month and your year, and your life up to this point, I like you would like to think that I hustled to get here. I can point to all the times I work my ass off, but the reality is apart from just the advantages of being white and a male, and native English speaker with an American passport, in my case, I was always as smart as hell. I went to College for Math starting in 7th grade and I've always known that if there's a system somewhere, I'll figure it out. I'll hack it. That's the challenge is that how do I begin to perceive the fear and the anxiety, and the hopelessness, and even the helplessness in a system if I just know in my heart that I will always figure out a way to come out on top.
That's the myopia that concerns me the most and that's what I think is so prevalent in Silicon Valley today is that Silicon Valley is populated mostly by folks who would consider themselves winners of the traditional race, people who floated to the top of their education institutions who have succeeded in the ranks of their traditional businesses, who have taken risks, entrepreneurial risks and who have had great success, and yet all of that has contributed to the exclusion of a lot of the voices that I consider to be vital in a worthy society in a round and robust, and exciting society but they've just been beyond gentrification. They're just not voices you interact with much in Silicon Valley today and in a tech world today. I think that myopia, it concerns me because I think it's actually going to end up costing up as an industry a lot of success but I also think a lack of empathy there is going to lead to more social and political unrest. This country, there's a really good shot that unravels.

This leads into one of you asked a question that says, "Chris, you recommended 2 books

on the first podcast. How to make millions in Rising Asia and then the other book is Not Fade Away, both to cultivate a more empathetic perspective, why empathy and what got you there, and what is everyone missing?" I think I touched on a lot of that already, but as a builder, as an entrepreneur, how can you build something for someone else if you don't have even enough glancing familiarity with them to imagine the world through their eyes? How can you define the feature set? How can you think about pricing? I might not care about; I don't care about a $4.99 app installed but almost everyone on the planet does. How can you build something with identity and heart? You're building it for an audience you don't really know. Sometimes you've been locked into it and sometimes audiences have problems they, themselves, don't understand. There's an incredible amount of empathy I think missing in the system today.

I think you don't have to look far to understand why there's so much political discord particularly when … I think those of us in tech 10 either be progressive or libertarian, but generally, within the tech world there's been a lot of animosity toward those in the extreme right, the anti-science right, and yet I don't think you have to look far to understand where that comes from. You've got a huge group of people in the United States who have basically lost the control over their own destiny, the small businesses that used to run have gone away. They've lost their farms, they've lost their houses, they've lost their ability to plot their own future. When they get up in the morning, committed to work hard, they don't necessarily know that it's going to work out for them. If that were you, you'd probably be looking for scapegoats, too.

Now, I think some of those scapegoats are misplaced and the blame isn't laid in the right place, but underlying that there was a certain amount of empathy and part of that is because I've gone and spent time with those people, and try to understand their plight. I think those of us who will take that time, invest in that understanding, our lives will be richer for it, our societies will be stronger for it, our kids will be better for it, and I think our products and the services we offer will actually play out a lot better as well. Is that a long enough answer for you? Chris, if you were to start your own school to educate youth, how would you do it? What would you concentrate on? How much would you pay the teachers? Is education the answer to the world's problems?

Presuppose that you weren't using schools to just train your kid to be successful with air quotes around it. Think about how the purpose of education up to this point has always been, "If you do well in school, you can get into a great college, get into a great college maybe get into a great grad school and then you can get a great job." That has been the basically baseline underlying assumption for education system for at least a generation now, probably 2, and yet imagine if that weren't the case. I was lucky. I went to the School of Foreign Service at Georgetown, one of the most competitive schools in the country and among my peers were kids who went to all the fanciest boarding schools, all the best prep schools, all the best high schools. I went to a public high school.

I went there with absolute trepidation that I would just get trampled by these kids and while their life experiences are certainly more diverse and exciting than mine because they had the money to do all kinds of cool things, and they had AP classes and stuff that I

didn't necessarily have, spending time with them, I realized that their world views were incredibly narrow. Most of them have never worked or lived among poor people. Most of them hadn't actually volunteered. Most of them hadn't had service jobs, tipping jobs. They hadn't worked manual labor. Same went on when I worked in Silicon Valley with top Harvard and Stanford grads at Google and beyond, all across the valley, same kind of thing. I found people who were incredibly successful with those air quotes and yet had very unidimensional lives.

Back to your question, if I were to start my own school, what if you started a school that presupposed the goal was happy kids. I mean, Happy with a capital H, balanced, thoughtful and passionate, doers. What if their resume wouldn't ever matter? Some of you have heard me say before that the only people who care about your GP are people who you've given no other basis to evaluate you. What if instead you wanted to build an education that fostered interesting [ideas 00:35:01], understanding, action, experience? I don't know what that school looks like but that's how my wife, Crystal, and I have been approaching, raising our 3 daughters. I've yet to see test scores correlate with happiness. I've yet to even see test scores correlate with learning with a capital L, and so I don't know what I would do to reinvent the education system or any particular school but it's certainly on top of mind for me.

One of you asked, "Can you elaborate on the Ironman you completed in 2008? What real world transferable lessons did you learn?" The Ironman I did, I actually did 2 of them 5 weeks apart. One was just a training session where I realized there's going to be so much training that day. I was like, "Okay, let's just do the whole Ironman." I did a formal sanctioned Ironman few weeks later. I had a phrase I keep repeating in my head over and over again which was, "Tonight, I will be on my bed. Tonight, I will be on my bed. Tonight, I will be on my bed." It was something I just repeated to remind me that the pain of what I was going through is temporary and that no matter what, at the end of that day, I would be in my bed that night.

In 2009, I rode my bike across the country. It was a 40-day trip with 35 days of riding, incredibly intense, almost 100 miles a day, and I hadn't trained for it all. I friend of mine gave me the trip about 2 weeks before I left, and so I showed up to the West Coast muffin topping out of my leg shorts. I couldn't emanate the parts of my bike. I just bought a bike. Actually, I didn't even have a road bike at that time I agreed to do it. I'd given away my tri-bike, but I use the same principle there during one of the most painful experience of my life just every time I would say tonight, I'll be on my bed. I don't know if you can translate that to everything you do in the real world but try it. Someone asked, "You're more inclined to invest, a founder who has a proven entrepreneurial track record or someone who's a first-time founder but a seasoned professional with relevant expertise in the area that we'll be competing."

I really worry. Expertise is going to be a contraindicator. Think about the Uber founder, Travis, Garrett, Ryan, none of them had ever driven cabs before or limos. What I think I found is that experience often deeply embeds the assumptions that need to be questioned in the first place. When you have experience of something, you don't notice the things that are new about it. You don't notice the idiosyncrasies that need to be tweaked. You

don't notice where the air gaps are. One of the things I've always admired about Evan Williams as an entrepreneur is his ability to see the assumptions that the rest of us are taken for granted. On the other hand, I don't always think track records play out. I do not automatically back someone who had a great first exit. I don't think that's a necessarily determinant.

Surely there are founders who go on the shows time and again. They are capable of building cool stuff, but often what happens is you'll see that second-time founder Malley's where if they've already exited, they might not have that same fire in their belly. You have to test those assumptions. They may keep making every decision based upon what they did the last time around even though there's new fax this time. They may try and pattern match. That can be distracting, so be careful about that. Next question was, "Chris, I know this is a tired subject and hopefully one day we won't have to talk about it anymore, but what are some of the ways VCs can bring more diversity to their firms and more diversity to their portfolios? Women and people of color are underrepresented on both sides of the table. Truth is, it doesn't really matter what you're doing, a diversity of thought is good for business. Why the reluctance from VC?"
I'm glad you brought it up. It's not a tired subject and it's not going to get better unless we talk about it, and I'm glad. I'm glad there's awareness. I'm glad people are talking about it, but here's one thing that I think is going to end up fixing it in the end for us. It's greed. The reality is that these underrepresented talents, women and people of color, and the LGBT community, one of the interesting things about this is that they all represent huge communities of disposable income with unique product desires, with unique tastes. These are huge economies that have largely been ignored. What happens is Silicon Valley has invested in the things that they understand, and the things that white guys get to the chagrin of these other founders.

As a result, they've missed the big markets. We get credit for being early StyleSeat investors and yet what was funny was we invested in StyleSeat because we liked Melody and we thought she had some hustle. I had no idea how big that market was until my wife, Crystal, explain to me how big that market was and how much women actually spent on their hair. Then later when I check back in with Melody, I learned how much African American women spend on their hair as a percentage of disposable income. It was huge and I start to learn about this huge, huge economy, and so I put more money of the company, and then I took a route to help tell the story up and down [Saint Hill Road] and she was ignored because most white guys don't pay more than 20 bucks to get their haircut. They have no idea what it cost to get a color, what it costs to get a weave, what it costs to get a digital perm if you have Asian hair. No idea.

It turns out that's an incredibly successful company going after a huge market. Now, there are a lot of white guys who are figuring that out and the company has succeeded as a result of having … It's led by a woman who's incredibly successful leader with a dynamic management team of women. It's going to be a success story and I think the next time people get approach with a deal like that, they're going to remember that. Similar company that we have old InVenture, it's absolutely revolutionizing how a credit works in a mobile environment particularly in the developing world led by a woman

name Shivani Siroya. Shivani would be easy to underestimate and I'll bring up just her physical stature by way of this prejudice but she is like a short Indian woman and it would be easy in the traditional big glad-handing white guy venture capital world to just walk past her and say like, "She can't be up to anything incredible."

If I were in a room looking for whose company I was going to invest in, I probably would have ignored her. The circumstance [inaudible] we met were I was seated next to her at dinner and I asked her what she was up to, and 2 1/2 hours later, I realized I hadn't taken a bit of my food because I should [inaudible] what she was working on. It was so amazing. I was incredibly engrossed. I couldn't stop talking a word about it. Ultimately, I became a partner in her business and yet I saw … She went and told her story to other investors. I really do think they judged her by the cover and didn't take her seriously as one of the most aggressive, ambitious, savvy, successful entrepreneurs I've ever worked with. InVenture will be a huge company and a big thanks to Shivani, who not only founder herself but taught herself to code and yet I was as guilty as anybody. I really think initially I was judging the book by the cover, and I wouldn't have given at the time of day unless we'd been or sat next to each other.

I encourage everyone to keep building diversity and inclusion programs to keep putting time into these efforts and talking about the subject as it's glaring and the extent to which we're seeing these communities underrepresented. Frankly, this makes for more boring and starched environment. I love going to InVenture for the board meetings and you can see if you go to InVenture, I-N-V-E-N-T-U-R-E, and look at their about page and who works at the company, you'll see it's the most ethnically diverse company maybe in our entire industry. I have the most fun when I go to their offices. I think it's the most collegial and exciting, and happy place I've ever been to. I think it correlates, and so when you've got just a bunch of white guys all hang out with each other, I don't think this is fun. I don't think this is rewarding. Hopefully, this will continue to get better, but I would just want to acknowledge the fact that I think greed will play a role in helping straighten that up.

Where can I get some of those sweet shirts? Scully is my brand. I buy them direct from the company now. They send them to me, but VintageWesternWear.com is a good place to go look for all of them. "If working in a startup environment, what should one do or focus on to learn and improve as much as possible?" I think you should go to all the meetings you can even though if you're not invited to, and figure out how to be helpful. If people wonder why you're there, just start taking notes. Read all the other notes you can find in the company and gain a general's knowledge that your very limited job function may not offer you one day, and just make yourself useful and helpful by doing so. That's worked for me in a few different environments and I encourage you to try it. "Chris, what's next for you down the road a bit? Will you grow bored with the current VC path? Will it fascinate for decades?"

What would you be doing if you decide to stop investing? It's not about getting bored. Solving problems and competing to make things better is always fun. If you don't agree with that, this is definitely not the business for you. You should go check on that, but

instead the current VC path, for me, it can be frustrating. One of the hardest things as an investor is having so much time, energy, money, passion, and even identity wrapped up in a company that you don't actually run. It's exhausting to not be able to make those decisions and yet to have so much at stake. Plus as these companies get bigger and bigger, yes, it means bigger dollars, more money potentially to be made but it also means bigger egos, more politics, more pissing matches or backstabbing, I realized all of the fears gone; I realized the cost that was … What she was coming for me, I wasn't sleeping very well. I was gaining weight. I wasn't getting exercise. I want to hide high anxiety. I actually brought on a partner Matt Mazzeo.

Matt not only helped re-energize me a bit but he was a fantastic partner and really taught me some things about investing and about the companies that we're going to be successful. A little over a year ago, Matt took over our funds day to day and I became the chairman of Lowercase, so I actually have a step back from the VC path, in the path that built the business. I still work on Lowercase every day but Matt runs our funds. In place of that, I have 3 kids now. I have an amazing wife, a brother, who I'm really close to, my parents, who I'm close to. I have been there to help my wife on her creative projects, just basically a support role on these incredible Scratch & Sniff Guide to Whiskey books she's written. We've worked with partners on restaurants, nonprofit work. I've tried to focus on getting back in shape. I was hampered by a shoulder reconstruction I just had to do.

Let me know, by the way, if you know any diet gurus with a favorite nutritional regime. I don't know; I'm out there looking for somebody. At the end of the day, trying to be away from startups is an exercise of utility I think for me. That leads me to Shark Tank. This season, I'm on Shark Tank for few episodes and a lot of people ask me why someone who step back from the day to day of my firm and I think what I realize is that Shark Tank brought me back to what made me passionate about startups in the first place. It brought me back to a few founders with a great idea, with a product in hand, with early traction, and they want somebody to come on board and help them. That's something that really [inaudible] of who I think I am. I get excited by those ideas. I get excited by that early traction and trying to parse which ones are going to work, which ones aren't. I'm thrilled by the opportunity to be helpful and have a steak in the upside when it all works out.

I love putting my money where my mouth is and I love sticking my own brand, and energy, and reputation on these projects. The stage of companies that come to Shark Tank are they're raw, they're edgy, they're so early still. It just reminds me about the very first days of angel investing where we would sit down at a coffee at Brook House Café in [inaudible] San Francisco. I would just get so thrilled and I missed that. Over the years, as the business got bigger and bigger, and they're more and more lawyers involved, more and more, accountants and tax people and regulators and filings, back office folks. I just started to lose touch with what was exciting about this business. That's one of the reasons why I'm absolutely thrilled to be on the show right now. I think you'll get more and more of that energy from me as the show goes on, as the season goes on.
Anyway, thank you, everybody, for having me back. It's always fun to talk about Tim

Ferriss behind his back. Let's keep this going out on the web more than anyone else on the internet, I love you, guys and gals, as a tribe. You're insane. Tim and I talk about this a lot. You are savvy, curious; you're pragmatic. You're cheap as hell. You're ambitious, motivated. You're highly engaged and yet you're not as crazy as one might thing you'd be on paper. A lot of people I think would jump to the conclusion that Tim's devotees must be all crackpots. A few of you definitely are, but most of you are just really amazing people. I enjoy hearing from you. I'm @sacca on Twitter, @sacca on Periscope, and csacca on Snapchat.

Last, let me just say, I'm on Shark Tank this Friday, the 15th of January, 9 p.m. Eastern and Pacific and I've got something to say during those time slots on your calendar and schedule a vitally important meeting with me. Do it at my email address csacca, C-S-A-C-C-A, @gmail.com. I'll accept your meeting and we can have a one on one particularly if you give it a name that makes it sound like the faith of the world is riding on it. A few hundred people have done this already and are getting the kick out of it, so give it a try. This Friday, Shark Tank at 9. Let's watch together. I'm sure I'll be on Periscope and we can live watch it together. All right, everyone, thank you so much. This has been fun.