Transcript for Tom Bilyeu | Impact Theory (Episode 667)
Full show notes found here: https://theartofcharm.com/667/

JORDAN: Tell me about Quest Nutrition, man. Because I looked online

when I was Google stalking you as required, before -- I mean, I did that before we were friends, too. But, I'm like, "Oh, I've got to refresh my memory about this stuff." I had to do math in my head, which I always despise, because the growth was -- it was like 57,000 percent over the first two or three years. And then I was like, "Oh, that's like 57 times, no it's like 570," and then my brain melted because I thought, "How do you grow that much at all?" That's like going from, "Hey, I've got a box of stuff I cooked up in my kitchen" to like, "Hey, we need another warehouse to

store all of my stuff."

TOM: That is literally what it was like. This isn't manufacturing. It's

one thing to scale by 57,000 percent in software, it's another--

JORDAN: Yeah, I've got users.

TOM: Right.

JORDAN: I've got to pay Amazon another \$50 a month, right.

TOM: Exactly. For us, it was going from renting a commercial kitchen

by the hour, to at the end of it, we had just in one of our facilities, 300,000 square feet. It was absolute madness.

JORDAN: Which is another number that you can't wrap your head around,

when you think about it. Because if you think about, "Oh, my house is 1,500 square feet," and you're like, "How many of my

house fit into 300,000? A lot."

TOM: You can fit multiple football fields in one of our facilities.

JORDAN: And at that scale, little mistakes are millions of dollars --

TOM: Yeah.

JORDAN:

-- slash, "Hey where can I throw out 400,000 bars that have too much chocolate in them?" or whatever. But how do you even go from the seed idea -- because when I was looking it up on Facebook a long time ago -- you and I have a mutual friend that I grew up with and I thought, "Oh, how could you know this guy? It doesn't make sense." I asked him and he goes, "Oh, yeah, I think we did a movie thing together a few years ago," and I was like, "Nutrition brand, YouTube channel, online community, movie business," -- were you focused on a lot of different things or were you just kind of like, "I guess I want to do entrepreneur stuff, dot, dot, dot, movies, dot, dot, dot, nutrition bars."

TOM:

I so wish that I had been clever about this. And that has not at all been my trajectory. So, I fell in love with filmmaking when I was about 12 years old and just knew, "I'm going to be a filmmaker."

JORDAN:

You're in a good business for that now.

TOM:

Now, right?

JORDAN:

Right.

TOM:

But you want to talk about seeming the most circuitous route anywhere ever, that has been my life. So, go to film school, think, "This is going to be it." I'm doing really well in my first couple years in film school and think, "I'm just going to smash this. Three picture deal when I graduate."

JORDAN:

"Get James Cameron on the phone real quick."

TOM:

Exactly.

JORDAN:

"I'm almost graduated."

TOM:

Exactly. That's how I felt. And I thought, "Oh, man, I'm going to have it made. I'm doing well here," and then four people at USC get selected for a senior thesis film. It is a big deal to get picked.

And I ended up getting picked. Now I'm like, "I'm one of the four." It's all happening. It's all coming to fruition.

JORDAN: "All coming together, just like I planned."

TOM: Right? Exactly. And then, I crash and burn my senior thesis

film. It is so horrific and so embarrassing -- all but go into a depression and just think, "I now have no idea what I'm supposed to do with my future," and I felt completely lost. Because now I've graduated. There's no more infrastructure to help me because I wasn't at all self-directed, so I needed that school. I needed the teachers. I needed the introductions. I needed those things to have a certain automatic nature to them. So once that was all gone and I had sort of burned all those

relationships by being untalented, I thought, "What do I do now?

I don't know how to get an agent. I don't even know how to get

better. I don't even know if I can get better."

JORDAN: That's scary. Not having an agent, fine, all in good time. But if

you have no idea how to improve, it's bleak.

TIM: And that's how it felt. And I remember one time, I was in an

apartment, I couldn't afford furniture, and I'm lying just on the floor, with my face pressed into the carpet, and I'm like, "What am I going to do with my life?" I never categorized myself as having been depressed at that time, but I was flirting with

depression.

JORDAN: Yeah, yeah.

TIM: And so I just felt lost. Thankfully, the thing that I ended up

getting into was teaching filmmaking and in teaching filmmaking, I realized to be able to teach, I need to start

learning more about this. And they say the fastest way to learn something is to teach it. That is so true. So, in the process of teaching it, I really start to feel like, "Whoa, I'm actually

understanding where I went wrong in film school, what I had done wrong, I can now explain it to other people," and so then it

became, "Well, if I can explain it to other people, can I begin to

fix it in my own life?" And that began -- I didn't have the words at the time because Carol Dweck had not yet written her seminal book *Mindset*, but I begin to develop a growth mindset, sort of accidentally, as a way to escape the depression of feeling like I'm a talentless hack. I needed a new mindset that was going to let me feel like I could get good, and teaching gave me that little in, that thread, that then did become me developing my mindset, seeing that, "Whoa, I was actually able to make these students better." That I really did. I wasn't blagging it, as the Brits would say.

JORDAN:

Right.

TOM:

I really understood why their films, their scripts, weren't working. I could actually help them. That gave me the insights into my own stuff, and so I felt like, "Okay, I can do this," and then these two entrepreneurs saw me give a lecture on the power of media and storytelling to influence behavior. So, they're looking at it from the perspective of influence buying behavior. Long story short, they're like, "Hey, we need a copywriter. Why don't you come join us?" They said, "You're coming to the world right now with your hand out. You want to be a filmmaker but you're begging for money. You don't control your art, that's always going to be a frustrating experience. So, come get rich." My, how simple that sounded at the time.

JORDAN:

Yeah, I was going to say, "And you believed them?" I have the magic sauce, just get in my van.

TOM:

That is what I should have heard. But, instead I was like, "These guys have done it. They're self-made."

JORDAN:

Sure.

TOM:

So, they're self-made multi-millionaires, they're telling me that they're willing to teach me how to do it, and I remember everybody saying, "Oh, you're crazy. What are you doing? You've got this good job. It's safe. You're taking this big risk. These guys could be total shysters. You have no idea."

JORDAN: It sounds like every Internet ad ever.

TOM: Ever.

JORDAN: "I've got a secret formula. Trust me. Watch this five part video

series and then enter your email address."

TOM: It was absolutely hilarious but I took them at their word and

went to work for them in the beginning. And they said, "Look, this is a start up, so don't think of yourself as a copywriter. You can have any role that you want in the company, you just have to become the right person for the job. That means getting so good at that position, that we want to put you there. We want to give you the responsibility," and I took them seriously and I just

busted my ass.

JORDAN: How old were you at that time?

TOM: I would have been 26.

JORDAN: What time period did we go from, "Oh, I'm depressed. My face is

pressed into the dirty carpet in this rental," to, now you've got a

new sense of purpose with the startup?

TOM: It was probably over about three or four years.

JORDAN: I just want to clarify this stuff because a lot of people go, "One

day it's going to happen," and it's like, "No, this one day overnight thing and this shift could take half a decade."

TOM: Oh, it took a very, very long time. I would say that a, I'm very

aspirational, so I always feel like the person I'm trying to become is off in the distance, so it's still ongoing. But, it was truly, truly -- I had my first real epiphany about 10 years in, where it was like, "Okay, that epiphany just changed my life."

But that took almost a decade.

JORDAN: What type of epiphany are we talking about?

TOM:

Where I realized it mattered what I built my self-esteem around and that I had been building my self-esteem around being right and being smart. That meant I was putting myself in smaller and smaller rooms with smaller and smaller people, and the most dangerous thing, that actually made me feel better about myself. And this is where people get lost, from the outside, "Oh, you never want to do that," but it's like, "Yes you do, because it feels awesome." And so, that's how people get in trouble. So, even though I was limiting my prospects in life, I truly was feeling better about myself.

JORDAN:

Yeah, you're kind of going down this narrow path where the better you feel about yourself, it requires you to cut away people who are better at something than you, cut away a learning opportunity, narrow your focus to something that's not going to go anywhere so that you're the smartest guy in the room or something along those lines.

TOM: One hundred percent.

JORDAN: Oh, that's so dangerous.

TOM: And I called myself the king of remedial jobs. And I loved that

because I was the king of something. That was when that phrase occurred to me. I was selling video games in a retail

store --

JORDAN: Like GameStop type situation?

TOM: It's a company that's still around. It's called Game Dude. And I

was driving like 45 minutes to the job, working like anybody in

retail, punch in, punch out.

JORDAN: Oh, man.

TOM: And calling myself the king of remedial jobs. It's sad, looking

back, because I could be so many years ahead of where I am now. But, I learned some really powerful lessons about wasted time and about life is essentially the skillset that you have and that you need to have a learner's mindset and building your self-esteem around being right or being smart, is incredibly fragile.

JORDAN: Yeah.

TOM: Because you'll inevitably meet people brighter than you.

JORDAN: I want to be clear, though. If you work at Game Dude right now

or GameStop, we're not making fun of your job. It's just that, that

was clearly not a fit for you.

TOM: Correct.

JORDAN: Given the other things that you've done. I think that it's really

common for people who are in jobs like that to think, "Well, this is only temporary," but then not necessarily be doing anything to get out of that situation. So, if you're doing something like that and you realize it's temporary, and you actually have a plan to get into a different situation, build yourself up more, then there's absolutely nothing wrong with that type of position. I just want people to know that we're not like, "Ugh, retail. What a loser." Because that's not how I feel about that at all. So, you

leave teaching --

TOM: Yeah.

JORDAN: -- you're working for the entrepreneurs, why nutrition? Because

you decide to start this nutrition brand with a bunch of business partners, I assume at the time were also friends. There's a lot of protein bar companies, man. Why you jumping

into that crowded space with everybody and their brother trying to be the next Quest Nutrition for now, to set the bar?

TOM: So, this was back about six years into my relationship with

them, and I went through an emotional crisis where I realized I was making more money than I'd ever made. By that point I'd earned 10 percent equity in the company, I was making more

money than I'd ever made, on paper I was a multi-millionaire, but I was so unhappy.

JORDAN: What was the company?

TOM: It was a technology company called Awareness Tech and we

made security software. So it was like, "Your employees are emailing things out of the company that's sensitive and they

shouldn't be, and so, this stops them."

JORDAN: So useful, but not sexy.

TOM: Correct.

JORDAN: Certainly not something you identified with as your life's

purpose.

TOM: One hundred percent. And the fact that we didn't use it in our

own company, was a pretty good signal that this wasn't

something that --

JORDAN: Oh, man.

TOM: -- was really native to who we were. I had gotten so deeply

dissatisfied with chasing money and I had been chasing it really hard for a very long time and realized that I was living the cliche of money can't buy happiness. So, I went to my wife and I said, "Look, I can't keep doing this. This is legitimately soul wrenching." I said, "Look, I want to go quit and let's move to Greece and I'm going to go back to writing." And we were going

to move to Greece for two reasons: one, we could find

somewhere to live more cheaply -- not in Athens, obviously.

JORDAN: Yeah.

TOM: We were going to live in some outskirts town and then I'd be

able to really get good at Greek. So, my wife is Greek, I learned Greek to basically impress her, and I really wanted to get

properly fluent.

JORDAN: Learning Greek is impressive, yeah.

TOM: It wasn't easy --

JORDAN: Yeah.

TOM: -- I will tell you that. So, I go into my business partners and I

say, "Look guys, I can't do this anymore. I am so profoundly unhappy. Here's your equity back. I don't feel like...if I don't

cross the finish line..."

JORDAN: Oh, you gave the equity back.

TOM: Oh, 100 percent.

JORDAN: Oh, man.

TOM: "If I'm not going to cross the finish line, I don't think I should

get anything for this. So, here it is. Peace out." They were totally

dumbfounded.

JORDAN: Yeah.

TOM: They didn't see it coming.

JORDAN: Like, "You're giving us the equity back?"

TOM: And not only that, we'd been working together for six years by

that point. So it was like, "What is happening?" It came out of left field. I had not mentioned anything. I was a good soldier for the notion of, "We're going to do whatever it takes to make this company profitable, build it up, and sell it." And originally,

when they said, "Hey, come join us, get rich," it was, "Get rich in

18 months." Now, I should have known better.

JORDAN: They should have known better. Do you think they knew at the

time?

TOM: No, no I don't. I think they really believed it. They had had

success before that on that kind of timeline. This is right

around -- it was post dotcom crash, but there was still that fever

and it was building back up --

JORDAN: Right.

TOM: -- that you could get rich so fast in technology.

JORDAN: "We're going to flip this."

TOM: Exactly.

JORDAN: "Microsoft is right on the doorstep."

TOM: Well, they were thinking -- they had this whole thing with

security agencies. So, governmental agencies.

JORDAN: Oh, wow.

TOM: And they were people that were like, "Oh, my God, this is

exactly what we need."

JORDAN: Because, if anything moves fast, it's the government.

TOM: Yeah. And that should have been my first tip off.

JORDAN: Yeah.

TOM: I think they believed it, I certainly believed it, and then that

turned into six years of not taking a day off, and just --

JORDAN: Oh, man.

TOM: -- legitimately selling my life --

JORDAN: Sure.

TOM:

-- for a very long time to get rich. Looking back, it was so empowering, in terms of what it taught me about entrepreneurship and all of that, and really put me to the test, in terms of how hard am I willing to work to make something come to fruition. But, it had begun to, not only detract from me emotionally, but from my marriage. It was just a nightmare. When I say, "Look, I quit. Thank you guys so much," they say, "We could do this without you, but we don't want to," and that phrase let me connect back to something other than the money, which was the brotherhood. And remembering that these were two guys that I loved and trusted and wanted to be around. I just didn't want to be around the business anymore.

JORDAN:

Sure.

TOM:

And so, that was really big. And I think that there is many, many ways they could have responded that I still would have been like, "No, thank you. I just can't do this anymore," but that one in particular, was like, for them it was also about something other than the money.

So, I said, "Look, if I'm going to come back, then the following things have to be true. We've got to build a business that's based entirely around passion, it's got to be all about value creation, I want to build community," and I didn't have the words for transparency, so I kept saying, "I want the business to have my real personality. I want to be who I really am. I don't want to be a clever marketer, I want to be me. And I want that to be valuable to the community to the company." So they were like, "Man, we feel exactly the same," so we set a goal that in the next six months, we'd hit X revenue and sell the company, or we would not hit X revenue, and we'd sell it anyway.

JORDAN:

Oh, really, wow.

TOM:

Yeah, but just obviously for a lot less. So, six months later we still hadn't hit the revenue and so we decided we're going to start our next company. So, we didn't just sell the company and then figure it out. At that point, we began in earnest. And we'd

been talking about it until that point but we began, in earnest, building that next company. So to answer the question you actually asked, which is, "Why get into protein bars," we founded the company, in fairness, for three different reasons. But for me, I'd grown up in a morbidly obese family and wanting to help them, wanting to save my mom and my sister --

JORDAN: Were you also overweight or not really?

TOM: I was overweight but not like that. To give you a story that will

sort of frame where I was, when I went to college, I took it so seriously and I was working so hard and I was so focused, that

instead of gaining 15 pounds, I lost 35.

JORDAN: There's not a whole lot you can lose before you --

TOM: Back then there was little bit more.

JORDAN: There's a little bit more...all right.

TOM: And I saw a girl my sophomore year in college that I hadn't seen

since high school and she was like, "Whoa, what happened to you?" She was like, "I used to think of you as the chubby kid,"

and I thought, "What?"

JORDAN: Oh, no.

TOM: That was so -- your whole childhood suddenly gets

re-imagined. I was like, "You thought of me as a chubby kid?" because I used to suck in my gut all the time, I didn't think

people could tell.

JORDAN: Like, "I'm getting away with this."

TOM: Yo, 100 percent.

JORDAN: "Nobody even notices."

TOM: Yeah, so not realizing that I absolutely was not getting away

with it.

JORDAN: Oh, man.

TOM: But, compared to my family who really struggled profoundly, I

didn't struggle like that. And by today's standards, no one would say that I was chubby. But back then, this is 25 years ago, -- back then, sure. And then, I really put on weight, later. So, as I

started getting older and metabolism changes --

JORDAN: Tell me about it, yeah.

TOM: So I ended up putting on about 60 pounds.

JORDAN: Wow.

TOM: Now, some of it was me trying to get more muscular, but some

of it was -- I just didn't know what I was doing.

JORDAN: Sure.

TOM: So, I was just packing on the pounds. So, I got 60 pounds heavier

than I am now. And this was still while we were at the

technology company, not thinking about nutrition, but we're all talking about nutrition, just in terms of what we can do with it in our own lives. And so, I finally just get fed up of being fat, and I'm like, "I really want to get lean," but people that set the bigger, more aggressive goals, they're the ones that end up actually attaining them. So I didn't say, "Oh, I want to lose 10 pounds," I

said, "I want to get 6-pack abs."

JORDAN: Why do you think it is that people who set more audacious

goals are more likely to achieve those goals? Is that what you're

saying?

TOM: Uh-huh, totally. And it's because it's exciting. And you need a

compelling future, to use Tony Robbins' words. You need a

compelling future to pull you through, to be that thing that you wake up excited because working out sucks, dieting sucks.

JORDAN: Mm-hmm.

TOM:

So, you've got to have something that you're amped up about. And so for me, this was right after the original X-Men came out, and I wanted to look like Wolverine. So, I go hell-bent, going to make that happen, put it up on the fridge, I'm going to look like this guy, and just start dieting, dieting, dieting. And, over that period, just become obsessed with nutrition, and realized how much through what you eat and don't eat, you really can have massive impacts on your body. So, it was a very exciting time for me. In that period, I'm thinking about, "I want to save my mom and my sister," I've already had this -- by the time we founded Quest, I'd probably done about 45 of the ultimate 60 pounds of loss, and it seems like such an awesome way to impact people. So, that's why we decided to do it and there were no protein bars in the market that we would eat.

So despite the fact that it was a crowded marketplace, we just knew that there was really an opportunity. And it's fascinating for anybody out there that is thinking about being an entrepreneur, and people are telling you it can't happen. So, first of all, everyone told us that we'd never be able to make it in the protein bar market. We actually had a distributor tell us, "I need another protein bar like I need another hole in the head." And then unlike you, I came in late to the podcast game, and when I first started, a very well-known and well-respected guy that's helped a lot of people get started on stuff like this -- I won't rat him out because I actually really like him -- but he was like, "Dude, you're too late to the game."

JORDAN: Oh, that's so not true.

TOM: "It's not going to happen."

JORDAN: Even now is not too late. We're a new media. This is infant days even of the Internet. Otherwise we wouldn't be inventing new

means of distributing media every year. Snapchat, brand new. Somebody's dominating that, DJ Khaled or whatever, dominating that, right? It's not too late. That's funny that somebody told you that. That's almost like a fear thing like, "I hope you don't enter this space because I'm doing pretty well and you're kind of adjacent to my niche," or something like that. That's interesting.

TOM: Well, the funny thing is, he's actually paid to consult on that

stuff, he doesn't even have his own. It was one of those, like,

"Your name goes on a list, good sir."

JORDAN: Yeah.

TOM: "As I get bigger, I will think of you every single day."

JORDAN: It's like the Game of Thrones list that Arya has of people she

wants to kill.

TOM: Exactly. I don't plan to stab in the neck but --

JORDAN: Maybe not quite like that.

TOM: But I do love that there are people that give you doubt. I think

one of the greatest things, because I really respect this guy -- to this day - and look, he actually is a great person. He just didn't

see it and didn't see how --

JORDAN: Sure.

TOM: -- I was going to pull it off. So he kept asking, "But, what's your

thing? What differentiates you?" When people doubt you, especially people that respect you, it gives you that little extra

oomph."

JORDAN: Little extra, yeah. It's like El Chapo's dad told him he's never

going to be a big name drug dealer.

TOM: Is that really true?

JORDAN: That's what I saw in his little autobiography.

TOM: I want that to be true so badly.

JORDAN: I know, right?

TOM: That would be amazing.

JORDAN: "You're never going to be a godfather," and he's like, "You just

watch. I'm going to be the most horrible person in Mexico."

TOM: That's hilarious.

JORDAN: Yeah. So you are trying to help out your family, you've got that

sort of why, you've got this other person doubting you with the new media stuff, but Quest Nutrition, why is this special? I do remember buying protein back in the day and one of the ingredients was cookies. That was literally one of the ingredients in the cookie flavored protein. I was like --

TOM: That's amazing.

JORDAN: -- "Huh, how do they make it cookie flavored? Includes real

cookies. Do I want to be eating this every day? I'm not sure."

TOM: Oh, you want to. It just won't do good things for you.

JORDAN: Right, right, sure. So, you're creating these bars and then

suddenly, obviously whatever marketing magic you guys had and whatever sort of product distribution business magic you had, resulted in your company becoming one of the fastest

growing companies in the country.

TOM: Yeah, so what was really going on there is you had us, fed up of

doing business the old way, saying, "This is all going to be about value creation. We're now going to de-prioritize making huge profits, so that's never going to be how we make a decision."

Look, we were business savvy, we weren't stupid, but at the

same time, if an ingredient was more expensive but better for you, even though that meant that it would be less profitable, because you can only charge so much for a protein bar --

JORDAN: Sure.

TOM: -- then we would accept that it was going to be less profitable.

And when we started, we really didn't know, "Is this business going to thrive? Is it going to survive?" We had no idea. We thought through just being shrewd at business, we could at least survive, but we didn't expect it to grow that rapidly.

JORDAN: Even you were surprised by the amount of growth.

TOM: The speed, 100 percent. We always thought we would get that

big, we just thought it would take a very long time.

JORDAN: Sure.

TOM: What was happening was, we were making all the decisions

based on what's better for the customer, right at a time where social media is taking off. So, right at the moment where we say, "You know what? The social media thing, it's going to be a game changer. Other people don't see it but we're going to bet huge on it," realizing the reason we were going to win at social media was because we were going to give people a reason to talk about us, and that reason was always going to be uplifting,

empowering, exciting.

We were going to evangelize them at every turn. It was going to be the world's best customer service, it was going to be the best product, it was going to be marketing that was all about value add instead of trying to sell. We wanted you to get a recipe. Even though it wasn't a hard sell, you were stoked that you got a good recipe for healthy food. If you called up and said, "Hey, I want to lose fat, what should I eat?" We'd say, "Chicken breast and broccoli," and we didn't sell chicken breast or broccoli, but that's a true answer.

JORDAN: Right.

TOM: We were always encouraging people to eat whole food

whenever you can. We understood where we fit in. When you're on the go, when you want something to taste like a cookie but actually isn't made with real cookies, we were the thing that you were going to eat. And people were just like, "Jesus, this is a

different kind of company." So, now imagine that we're

investing in social media when it's small, nobody else is really thinking about it, but the universe is just coming to social media, hand over fist. Every new person that came onto social media, was just a new person that was aware of us. So, all the old brands had a worse product and didn't understand social and we were social from the jump. And not only just social, but

about building community.

JORDAN: Right, so the other brands are like, "Click 'like' on our Facebook

page to get notified about stuff," and you guys had more of, like you said, a value add. Does that explain 57,000 percent growth? Was everyone just talking about Quest bars at some point?

TOM: Literally.

JORDAN: Yeah, I feel like I heard about it and everybody I know knew

about it. But 57,000 percent, even if one person was your

customer the first year --

TOM: We did hundreds of thousands of dollars our first year. So, it

wasn't off of a tiny number. We weren't doing 10 million our first year, but in five years alone, we were valued at over a billion dollars, just to give you an idea. And that's just math, right?

JORDAN: Sure.

TOM: That's math on EBITDA. So, it was real, and we were making

real revenue. We don't report our numbers but they were big. We just were willing to do things other people weren't willing to do

and one of the huge breakthroughs for us -- because the

product was real, by the way. That is a really important thing to note.

JORDAN: What do you mean the product was real?

TOM: Metabolically advantageous. So, if you're somebody on

Instagram and you're a fitness person, you pose in bikinis all day, you're actually eating our product because it tastes good and actually helps you stay in shape. So, they were just going crazy talking about it. And being the cool new band, it was like, you wanted to tell somebody about it, because you were the cool

person that knew about this thing that nobody else knew.

JORDAN: Right.

TOM: It was real, we were uplifting community based, value-added

marketing, so there were no dark corners. It was just, not only is the product good, but when we encounter these people at a

trade show, they're nice to us and they treat us well and their customer service is second to none. And it was just all happening right as people were getting more crazy about fitness, and social media was kicking off. It was the perfect storm of timing with us being fed up of business as usual, and so we were just doing everything in a different way, always

putting the customer first.

JORDAN: But why the hell did you leave? What's going on?

TOM: A, it was an amazing 14-year run.

JORDAN: That's a really long time.

TOM: Yeah, and seven years at Quest. So, it was unbelievable,

amazing, transformative, everything for me. We had gotten to the point where we had so much success, and I felt like Quest was crushing it, and it was going to continue to crush it, with or without me. I began to have a vision that was divergent from my partner's. So, one thing was we always wanted Quest to be a platform company. That was part of the reason it was called Quest. It was like, whatever your quest is. So, we tried to do an apparel brand and the apparel brand failed. And the reason the apparel brand failed is, you don't think of upscale apparel when you think of a protein bar company, right?

JORDAN:

No.

TOM:

So, because we were so in our heads, and we knew the mindset that allowed us to build it -- the protein bar was never the thing, it was a food company about empowerment. So, for us it was so natural to do clothing about empowerment, food about empowerment -- for me, I had always wanted to do something about mental empowerment, and then over time, realizing that a show was the right answer. And ultimately end up doing the show and the show was so amazing and I had so many cool guests come on the show. And we end up getting, in the original iteration, hundreds of millions of views. It's just bonkers.

JORDAN:

Yeah, that's how I found out about who you were and I was like, "Geez, I hope this person succeeds," but there's a part of me that's like, "But not too much, because I don't want to feel bad about myself or anything." So, get good, but not that good. This is really good whiskey, by the way.

TOM:

Thank -- I'm glad you like it. It was going to be an expensive endeavor, because even with all the views, people were going, "What's the guy behind a protein bar company doing a show about the mind?" We weren't even talking about the body, because I wanted to get away from that. I wanted to expand the brand. I wanted people to understand we are more than protein bars. We're even more than food. There's a mentality behind all of this, that's let us make these very counterintuitive decisions, that has led to this kind of success, and because I had the story of, "Look, I got into this to get rich 14 years ago" --

JORDAN:

Sure.

TOM:

-- and have gone through this total transformation of realizing that really is an empty dream -- it's like Jim Carrey said, "I hope

everybody gets rich and famous, so you can see that's not the answer." So, it was like, I had gone through that, I realize viscerally, in my soul, I knew that chasing money wasn't the answer. And that once I stopped chasing money, I became fantastically wealthy. So it was like, "Guys! I'm telling you, I've gone through this crazy journey and the way that I think of it is, I got out of the matrix." *The Matrix*, to me, the movie, is the perfect metaphor for a limited belief system.

JORDAN:

You love <u>The Matrix</u>. If you don't know Tom, he loves <u>The Matrix</u>.

TOM:

The Matrix changed my life. Because of that is the reason that we're building the studio. But, not to get ahead of myself -- so, I'm starting the show because I really want to show my employees. That's how it started, which is why it was called Inside Quest. I wanted to show the employees inside Quest that you're going to hear -- I'll bring on all these people that have inspired me, that are successful, that have achieved at the highest level, and you're going to see that they say the same things I say. Because they are just universal principles of success.

It's not like, "Oh, this successful guy is saying one radically different thing from this guy, from this guy, from this guy." You just don't hear it. It's the same things over, and over, and over. And so, that's how it started. And then, I thought, "Well, if we're going to be doing this, why aren't we broadcasting this? Why aren't we leveraging social? We're a social first company. Let's really start to broadcast." So, we started doing that and we started gaining a following. I think, fairly, it was, "I'm now dragging my partners' along," because it's still a business.

JORDAN:

Sure.

TOM:

It still has to be built. It has an expense structure. We've got all this equipment and we're allocating space to the studio and we're really trying to make something of it, which does not come for free. JORDAN: Didn't your partners at some point think, "I'm over here selling

protein bars and Tom's over here farting around on YouTube.

What the hell is going on here?"

TOM: For sure. And so it became a question of, "Is this actually

moving protein bar units? Yes or no?" and I believe to the core of my being that, over a long enough timeline, it'll move units of everything, because it's real. But that's a very expensive test to

drag two other people through.

JORDAN: Yeah.

TOM: It just got to the point where, we didn't share the vision, it was

going to be very expensive for me to prove it out, it didn't seem fair to drag them along on that, and so, we had just had the kind

of success where we didn't need to agree to disagree.

JORDAN: Yeah.

TOM: We could just say, "Hey, this has been an amazing run. I know

you guys will continue to kill it." And one of my partners is the nutrition guy anyway, so it was just a no brainer. So, for my life to be complete, I need to address what I consider the dual pandemics of the body and the body mind. So, I'll always be

involved in health and the Impact Theory, we're now

developing a new show all around health, which I'm really, really excited about. And then also, the mind, and what does

that look like? And I play a game, I should say as an

entrepreneur, no bull****, what would it take? So no bull****, what would it take to end metabolic disease, which was the mission at Quest, the answer is you have to make food that people choose based on taste, and it happens to be good for

them.

JORDAN: Right.

TOM: And the no bull**** answer of mindset, how do you pull people

out of the matrix -- to use my words -- you need to hit them at

the narrative level. So, the only way that humans assimilate truly disruptive information, is through narrative. They've done literal studies on this.

JORDAN: What does that actually mean?

TOM: So, think about mythology. Do you know Joseph Campbell?

JORDAN: Yeah, I know of Joseph Campbell, yeah.

TOM: So he wrote a book called <u>The Power of Myth</u> and he talks about

how humans, for all time, have been telling the same story over and over, and he called it the hero's journey, and he wrote a book about it called <u>The Hero with a Thousand Faces</u> and then he followed up with <u>The Power of Myth</u>. And he talked about how sitting at the core of all societies, all of civilization, are these narratives that we tell ourselves about ourselves and about our country, about our tribe, whatever. And these narratives are entirely fictional, but when you don't recognize

them as fiction, they carry a ton of weight.

And he talked about what happens when you live in a world where nobody believes in the mythology anymore, and he said we're actually living through that time right now. And he said there's no shortage of mythology, but people don't believe in it, so they don't know how to extract the value. So, I'm sitting here going -- first of all, <u>The Power of Myth</u>, the book, changed my life fundamentally, probably more than just about any other book I've ever read.

JORDAN:

TOM: That, as a movie, I'll give it that that changed my life from a

What about <u>The Matrix</u>, though?

movie standpoint more than anything. But, if I didn't have the framework of <u>The Power of Myth</u>, I wouldn't have known how to read <u>The Matrix</u>. And so, looking at why don't people extract the immense amount of value out of all of this amazing mythology that we create, but nobody's telling people how to look at

Superman and understand it as an allegory rather than as just a piece of popcorn munching fluff.

JORDAN:

Sure.

TOM:

So, I thought, "Okay, I think I have the timing right again on something. I had the timing right at Quest, in terms of how to market it, I think I have the timing right now, to marry social content with traditional content, to show people how to extract real value that will actually change their lives." Just like at Quest, eating the product was changing people's lives and so they were absolutely insane about telling people about it and they felt such connection to the company, we're getting that same thing now at Impact Theory.

So, I was just at an event, Success Live, literally, I got mobbed. I walk in and people want to take photos, and literally the organizer of the event had to come and say, "Guys, we have to break this up. The house doesn't have enough people in it." That's because people watch the content, whether it's you, whether it's me, whether it's any one of the guys that are doing what we do, the people listening to the content are actually being changed by it. And when somebody's changed by your content, as you well know, they're so grateful, they just want to be drawn deeper into that.

And so, I wanted to leverage the power that we now have, by creating this kind of content, to give people actionable steps that are already changing their lives, to marry it to the way that they're going to change their belief system. And I don't think their belief system is going to change as radically in a less emotional environment like a podcast, as it will in movies, TV shows, comic books, books, video games.

If you could make this default setting that every character that you create, every story line that you tell, is about empowerment, so that they literally can't escape it, it's just there, it's ever present in the characters that they look up to, in the TV shows that they watch, the lead characters are struggling with, and

then ultimately making decisions that if the person watching the show emulates it, will make their life better. So, my whole thesis is built around Disney. He founded his studio in the '30s, his model has been staring everyone in the face, and nobody has replicated it since the 1930s. And it went like this: Disney understood one thing that every studio has ignored for whatever reason. And that was, every piece of content that he put out had to be feeding into a brand ethos. So, everything is about the magic of childhood, about good triumphing over evil. So, if I say to you I'm going to go see a Sony movie or a Warner Brothers movie, you don't know anything about it.

JORDAN: Right, no I don't have any sort of, "Oh, well if it's a Sony movie,

it's going to go this way."

TOM: But if I say I'm going to go see a Disney movie --

JORDAN: Yeah, you're right. I've got a preconceived notion of what it's

going to be about and that I can probably bring my kids that I

don't have.

TOM: Exactly.

JORDAN: Possibly going to be animated.

TOM: So, our thing is, if Disney is the most magical place on Earth,

can we make the most empowering place on Earth?

JORDAN: That place is your living room, yeah.

TOM: As of right now, that place is literally my living room. And the

funny thing is, we actually call this Impact House. And we could really derail into what we're trying to turn this into, in terms of being a cultural magnet and getting influencers here,

like yourself.

JORDAN: Yeah, so far, so good.

TOM:

It isn't a mistake that you and I have gravitated towards each other. It isn't a mistake that so often the guests that I'm researching for my own show, I end up at what you're doing. Because, you're helping people live a better life, you're helping people get the skills that they need to be more empowered to do something, and I want to get to know people like that, I want to be useful to people like that. And when it happens, and it's a real connection, and I would say that you and I have more than just a, "Hey, we can be useful."

JORDAN:

Yeah.

TOM:

It's like, "Hey, there's really something here," and the first time that we hung out was literally just that. You came to the house and we just chilled.

JORDAN:

We clicked right away, which is like -- I like to think I can click with a lot of people, but I was actually -- it wasn't just like, "Okay, how much longer?" And frankly, the first time I started looking up your stuff, I was like, "Okay, another person in a similar space. He'll be gone in three months. Ignore. Close the window." Then later on it was like, "Oh, this," and then I saw a video clip and I thought, "Oh, yeah, I've seen this guy," and then I was like, "All right, I'm going to look up more about this Tom Bilyeu guy." And then I saw you popping up everywhere, and I looked you up, and I was like, "Okay, he's done other things. He's not just like, 'I want to write a book so I can be a thought leader, so I can quit my day job,'" which is where I think a lot of people come from. And then I started following what you were doing and then that's when I was like, "Ah, I've got to meet up with this dude."

We're in part of your living room right now, and I thought, "You have dedicated yourself to this if this is something you're building into the place where you live," which I have also done. It's not something where it's like, "Oh, I'll do this until I get bored of it." You clearly have a lot of focus and a lot of drive and you've worked through a lot of different projects, including Quest, and then you took your piece of that -- which you just as

easily could have never worked again, and we could be having this conversation on your boat about how you've retired at age whatever, instead of doing something else. How about this, why are you still working? You don't need to do that.

TOM:

Yeah, it's interesting. So, when we were able to take some money out of Quest, Lisa and I had a real decision to make. Do we buy an island and retire and never work again, or do we reengage? We didn't even have to think about it, if I'm really blunt. Because, I know the game that you're playing, it isn't success, it's certainly not money, it's brain chemistry. There's an old Greek philosophical notion of techne, that you spend your time gaining a set of skills that become of use to other people, and the deepest sense of fulfillment you'll ever have, is by leveraging the skillset that is so unique to you, that you've worked so hard for, to help other people. That is for sure how I'm wired.

So, the thing that really gets me excited, that compelling future that we were talking about earlier, for me, is about how many people can I help get out of the matrix? Meaning, shuck off the limiting beliefs, see how the potential is nearly unlimited -- and I don't want get into stupid talk, throw it in the air, but it's like, people are capable of so much more than they think, because they think there's going to come a day where they won't feel fear or they won't feel anxiety.

That day is never coming for you but you can still push through that and on the other side of that, really start to get good, really execute at an absurdly high level, but it's all based on belief system. And, the belief system that you build for yourself -- you build, it's a decision, you decide the things that you're going to believe, you decide that you're capable of virtually anything, you decide you can learn and get good at something. I don't need people to believe it to be a universal fact, you just decide. And once you decide those things, then you start acting in accordance with that.

And when you act in accordance with the belief that you can do anything - and you can do it because you can learn it, not because you have some innate talent for it -- that you can learn to get good at anything, then suddenly you start working your ass off, you start practicing and studying and getting better, and brick after brick, you turn it into something. So, the more people that I can get to do that, one, I'll feel fulfilled in the process of doing it, and then two, I want to live in that world where people are lit on fire and they're doing -- they've created a passion for themselves, they're living in accordance with that, and they're building something to make the world a better place.

JORDAN:

So, if we decide, "Okay look, I'm going to learn to do better with this," or, "I can learn to do better with that or build these certain skillsets," what do we do then when confronted with, let's say, evidence to the contrary? Like, "Oh, I'm going to learn how to build this business and I'm really going to focus on this and I'm going to teach my kids different values than I grew up with or move my family to a better neighborhood," and things like that, what happens when you start failing, here and there?

How do you preserve your belief system in the face of that?
Because, you could just as easily go, "We're going to make protein bars that people are going to love, it's going to change lives," and then your distributors go, "Look man, I need another protein bar like I need another hole in my head." How do you preserve your belief system instead of just going, "Hey guys, nobody wants these bars. Let's just throw them in the garbage?"

TOM:

Yeah, that comes down to how did you build your belief system? Did you build it well? So, I actually enumerated my belief system, it's 25 bullet points, which you can download at ImpactTheory.com.

JORDAN:

I thought you were going to say pages, I was like, "Oh, my God."

TOM:

No, no, 25 bullet points, nice and simple, and they are the changes. I can speak.

JORDAN: We'll link to that in the show notes, by the way.

TOM: Thank you.

JORDAN: Because I talked over the URL. Just go to the website, we'll find

it.

TOM: Yes. They're the changes that I made to my mind in order to

become capable of running a business or building a studio, whatever. In there is how to address failure. In there is the notion -- the success is not guaranteed. The struggle is guaranteed. I promise it can be hard, or I promise that it will be hard, I can't promise that you're going to win. So, make sure that you're doing something that you love so that the mere act of striving and trying for it, is making you feel more and more alive. So look, at the end of the day, let's say that I spend the next 60 years of my life trying to build the next Disney and beat them at the game, and I never pull it off. Well, so be it. As of right now, I'm so miniscule and people so don't take me seriously, and it is literally hilarious how often people are just like, "Yeah, that sounds stupid." Some people will actually say it

JORDAN: Really?

TOM: They just like --

JORDAN: Who says it to your face?

TOM: I won't say but if you listen to enough podcasts, there are some

to my face and other people won't.

fairly large figures that have made mention --

JORDAN: Wow.

TOM: -- of not having a lot of faith in what I'm doing. But, like I said

earlier, the doubt, that is something that can drive you and allow you to push past it, as long as you have the belief that you can learn anything, that you can get good. Because my whole thing is, even if I never achieve it, I'm going to love the process

because I believe in what I'm doing. The why of my mission, to pull people out of the matrix, to help them live a better life, I really believe in that.

This is not a non-profit. This is a for-profit company, so I've got the everyday puzzle piece of trying to figure out what I can monetize without turning people off, how we make really profitable, and I enjoy that puzzle. I enjoy the elements of being an entrepreneur. They're really interesting to me. And when you align things that you find interesting and your passions, then the struggle which is guaranteed, is actually enjoyable. So, I'm a deeply ambitious human being, and I've just learned over time that you can make the demand that you make money doing something that you really, truly believe in. So, to the person that is met with failure after failure after failure, the whole point of having a belief system, is to inoculate you from losing enthusiasm during that process.

JORDAN:

Yeah, it seems very difficult to do because at some point you have to know whether or not your product or service is a good idea, but that can be separated from your belief system that what you're doing is going to benefit you in some way. So, maybe your light up pant decoration idea is not the way forward, but the belief system doesn't have to take a hit, doesn't have to take a torpedo.

TOM:

Well, because the belief system in that one in particular, is going to tell you if it's not selling, it's not good enough. And you have to face that cold, hard truth. And so now it becomes the difference between a path and a goal. My goal is to get people out of the matrix. I think the right path is to build a studio to do it. But, if I'm wrong, then I'll pivot. But I'm not going to give up on the goal. The goal is the most meaningful thing in my life. So, I would just find another way to do it.

JORDAN:

Do your business partners think you're crazy for bouncing from a top name brand company that you spent freaking forever building -- you finally get to the top of the mountain, you can finally maybe take a breather, and you're like, "All right, I'm going to go start from the bottom just because I like pain."

TOM: It's interesting. I don't know if they would say that I'm crazy but

it clearly isn't what they want for themselves, how about that?

JORDAN: Yeah, like they could be fishing on a yacht right now and

they're like, "I wonder what Tom's doing right now?"

TOM: Well, those guys are hard working as well, so I doubt you're ever

going to find them just fishing off the back of a boat.

JORDAN: I always find that. Whenever I meet people who are highly

successful, unless they're older and they've just burned out at some point, or they're leaving it to the younger generation, it's always a false peak, because you just constantly want to drive. People often even say that about business that are nowhere near the size of quest, like Art of Charm. They're like, "Man, your show is one of the biggest out there. What's next for you?" and I'm like, "What are you talking about? I'm only in the first 10

years of a 40 year career."

It's just starting to get really fun because now I don't have to worry about how I'm going to pay my mortgage. Now I can actually do things that are riskier, because I'm not going to be homeless if I fail. And people are like, "oh, man, you should just chill. You should just get good at golf or something," and I'm just thinking, "Maybe in 40 years, not right now." So, I understand the hunger, for sure. And I definitely understand building a studio in the middle of your house, and having a bunch of hardworking people hammering away on computers in your kitchen, for example. Your real blessing here is that your wife Lisa puts up with it.

TOM: Yeah well, she's my partner. We co-founded this thing, so she is

a co-conspirator --

JORDAN: Yeah.

TOM: -- in every way, which makes it easy. So, it's not having to

convince her, it's just showing her a compelling vision that

she's excited enough about to give up her kitchen.

JORDAN: So far, so good, right?

TOM: So far, so good.

JORDAN: Tom, is there anything else that I haven't asked you that you

want to make sure you deliver?

TOM: Whatever you think is going to give that value to the people that

listen to you, they really trust you to bring people on that are going to help them do what they want to do in their lives, and I certainly don't take that for granted, so I want to be a tool of

service for you.

JORDAN: You are, if nothing else, a tool of service.

TOM: That was quite the pause.

JORDAN: Yes. Man, thank you so much.

TOM: Awesome, dude. Thanks for having me on.