

PK 131 - PJ Taei

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SPEAKERS

PJ Taei, Matt Hunckler



00:00

There's so much opportunity in tech right now. It's unbelievable. So if you know how to build a company, or you can figure it out which most people can you get in, it's a puzzle, you don't give up. You just hustle. Then in that aspect, there's a lot of opportunity.



Matt Hunckler 00:28

This is Episode 131 of the powder keg podcast, the show for entrepreneurs, leaders and innovators building remarkable tech companies in areas decidedly outside of Silicon Valley. I'm your host, Matt Hunckler. And today I have a very special conversation that I had this past December with PJ Taei who's from Washington DC. PJ is the founder and president of us screen a video on demand company that helps people launch their own apps and online video streaming service. This is a relevant conversation. It was relevant when I recorded it back in December, it might be even more relevant now. Because we talk a lot about video we talked about how businesses can be using video, and the future of all things video. I'm recording this video here on April 1 2020. So we're almost three weeks into social distancing as part of this global pandemic, and the Coronavirus. I've spent hundreds of hours already on video I'm sure you have as well. So you see the direction this is going so many companies are trying to figure out video right now. And PJ is a serial entrepreneur and an expert in video streaming and monetization. And he started his career as a network technician, and founded a company called web net

hosting, which he built for 14 years until it was acquired in 2016. But that's when he shifted his focus to use screen he kind of uncovered a big opportunity and we talked about it here on the show. Their platform is now home to over 5000 video creators and enables them to monetize their passions from education to fitness. to yoga and so much more. Hope you enjoy this conversation and you learn a lot out of it. Please feel free to share what you learn with me on Twitter, or on Instagram. I'm just at Hunckler HUNCKLER would love to hear from you. And here's PJ. How old were you when you moved to the DC area?



PJ Taei 02:19

Yeah, so I was originally so I grew up in Maryland. I was seven. And then I lived in Arlington for a while because we're in the tri state area and our offices now in DC pretty central near Dupont Circle. I think we've had our use screen office here because most of our team is remote. It's just me the CTO in our marketing leads or our management team. We've been here about three years now. Three and a half years. We're in a we work.



Matt Hunckler 02:43

Nice, nice, very cool. We We are also office out of a co working space here in Indianapolis called industrious. I think they've got some great locations up there in DC too.



PJ Taei 02:54

I'll check that out. I've never heard of them.



Matt Hunckler 02:56

Yeah, the other fantastic we liked them a lot. But certainly we work has some great spaces do. But I'm eager to hear about your career and just learn a little bit more about how you navigated tech, and also the big opportunity you're seeing right now in video. Can you tell me a little bit about your earliest memories of technology and, and even a lot of times, I find that the entrepreneurs in particular, get bitten by that entrepreneurial bug early on, even before they start their career. Was that the case for you?



03:26

Yeah, that's interesting. They say that. Well, I absolutely have a pretty good experience with technology early on, primarily because my dad he was doing computer sales work for a company in Arlington doing computer sales. So I was about 1213 I think when I sold my

first computer was an HP. Just big keyboard and just very heavy tower. It was actually a desktop tower. And then I was lucky because my dad was reselling computers. So he started to bring in because he would custom build machines, right? No one does custom Right now unless you have a gaming or something like that, but I would actually put together the motherboard, hard drives, put the ram in and all that stuff. I did that with my dad, I probably built. Honestly, no exaggeration, few hundred desktop machines over time towers and desktops. And this was in the 90s. So that gave me experience early on with computers.



Matt Hunckler 04:22

What did you like most about that experience? Or did you like doing it at the time?



04:27

Yeah, since I didn't actually like it. I was in my early teens, 1314 years old. And I always liked hardware. I've always been technical, but I didn't like it too much because my dad's office. And I was told myself like, I would never want to be stuck in an office with like limited windows and stuff like that. It was just kind of a basement unit. Not many windows. Not a lot of light came in. I was very quiet and I was just like, man, I would never want to work in somewhere like this. So I think I didn't like the environment. But my dad was really cool. And he taught me a lot and then I obviously started in a base Went both my companies and I was like holy ground doing the same thing and basement type unit with no light and all that. I didn't care I wanted to build a company I it was the least of my concerns. After that I actually went to Best Buy and then I went to CompUSA which went out of business and Best Buy I was at Geek Squad I was actually but it was called PC text then okay PC technicians then Geek Squad was a brand and it really grew up so obviously I took that experience went to CompUSA and then did contracting for a while like you said as I got my MCs c i got my CCNA Cisco certified network associate work for Verizon you unit I work for Robert Half, I jumped on many different contracts within those few years. And then my brother was doing freelance web design. And he was like, hey, come host these websites. So I started hosting he gave me probably two dozen accounts 2030 accounts and I started right away. I got a server with A company in Texas called rack shack. They were in Houston. Nice. And then then I worked with a company in Baltimore called Allah bonds. So that was my first experience with an all in one provider. Because back in the day hosting was a panel, which was cPanel, there was a nickname called panel because it basically they used to joke and say, See panels basically a panel. So basic, and then you had the server, then you have someone out to manage the server, then you have to add a billing system. alabanza was the first company to come and say hosting all the billing

everything monetization, you know, everything's built in, it was called domain System Manager DSM. So I paid good money for that server, but it got me off the ground. So I was doing all in one hosting in that case, right. Ultimately, I was reselling, but in 2000 to 2003 that was totally okay to do. Oh, yeah. And I launched web hosting in 2004. Honestly, sort of as an experiment, not as an experiment, I was like, I'm gonna do this, I'm going to put a site up. But I put a site up and people started calling. Seriously just organically, early on Google started sending me leads. Because I started putting the meta tags in and the title, yeah, was good enough for Google to say this site has the basics, and it started sending me some traffic before you started.



Matt Hunckler 07:23

But before I'm sorry, I was just gonna ask, before we get too far down the first entrepreneurial journey. I always think it's interesting to hear you went to a lot of different places. It sounds like you know, Geek Squad before it was Geek Squad, you know, even working for dad's company before that. Were there any kind of key lessons that you learned in those early careers that sort of helped shape? How you approached entrepreneurship?



PJ Taei 07:49

Yeah, good question that I got carried away.



Matt Hunckler 07:51

Now it's okay. It's okay. It's easy to do and and it's easy for me to do too, because I obviously I love the entrepreneurial journey, but it's always interesting to see What kinds of tools you can add to your backpack before you go on that entrepreneurial quest?



08:05

Yeah, absolutely. Yeah. So I tell you my whole life story. Okay. But yeah, I got excited about that. I appreciate that. I did learn a few key things to be honest. And one of them actually I have a really good memory of so at my dad's office when he when you put a motherboard and the motherboard sits on the actual base of the tower. Okay, so just the tower, box metal box. Basically it has you put in the motherboard on but it needs a washer underneath a washer on the top dentist screws in. So these washers because you're putting in like 1618 screws per, you know, per tower and I was doing you know, a few a night per se I would go help my dad on a school night I was tired. So we're not in a mood

per se. Not all the time. I wasn't that bad. But you know what I mean? It wasn't the funnest job. So I would just skip on putting these washers in sometimes and my dad would actually Go after I built the whole mother where you take it all apart and make sure they all had the skirt. He did that a few times, then I learned I was like, I don't want to make them do that. So I'm going to put all the washers in. But that was a very good lesson for me because for him delivering that final product to his customer. He didn't want a single washer missing, he wanted that thing to be perfect, even though To be honest, it would have never had an electronic short. It nothing would have went wrong. It wouldn't have been anything wrong. He couldn't hear any vibrations or anything like that because it was mounted in 14 other screws. So the few that were missing, but he didn't want to risk it. He wanted to deliver a perfect, perfect product. So I still follow that model. I would say I'm not a perfectionist. There's certain things that I'm very specific on the way the website works, its responsiveness, certain important things, but I'm also logical with time because I'm limited with that. So we all are right. So in that case, I am more particular about giving someone a second experience, I want them to experience the good. So that's what we do. Well, honestly, we did that at web hosting, we do it at use screen well, too. We do a good job giving you an all in one service. And what I what I mean by that is it's not just web hosting, billing, website apps and a few other things and marketing tools. It's not just those things. It's that we offer good service, I give good onboarding, I have good sales, I try and cover multiple aspects of the spectrum or the whole thing to a to z of yours. There's a lot of gaps, you know, that we're still like learning and there's a lot that happens that falls apart. But I try and offer that full experience because you want to give something complete to someone. You know, it's sad, yes, the whole experience. Did you ever have an experience in those



Matt Hunckler 10:48

early jobs where that kind of like a was a ball got dropped? And you had to kind of recover from that.



10:58

Yeah, let's think well USA had a tough boss. Jaron was his name. I don't remember his last name. He was a tough guy. He was just big guy. And he was a smoker. She had a really thick voice. He was probably in his early 40s. He was a tough guy. He really wasn't. I don't think not any of us being young at the tech, you know, in the technical space of CompUSA. I liked working with him. So I probably dropped the ball a few times, but he was quick to react and there was nothing missing. He was an awesome manager. So I learned a lot from him. I remember when he first I think what made him awesome is he

was strict. He was he was strict in a way that wasn't intrusive, per se. Like, he wasn't annoying, but he was on point. I think that's what made them good. He was on point with everything that he did. Yeah, it was a go getter. He was fast. He worked hard. He hustled and it was clear to see that he hustled and as soon as he came in, there was a lot of slow pokes and people that should have been removed a while back, he removed them. You know, and I was early on, I was like, why is he removing people and stuff like that, but sometimes managers that come in, they want to reshape stuff. And ultimately, it's a business. It's not a charity. Right? And honestly, CompUSA went out of business 10 years later, and it was still bleeding money then too, so they had no choice to do that. But he was just he was a hustler.



Matt Hunckler 12:20

Yeah. Yeah, that's interesting. It sounds like in the moment, maybe it was a little bit annoying, quote, unquote, but long term. It sounds like kind of grew to respect that sort of onpoint ness and hustle that he had and brought to the culture there.



PJ Taei 12:36

Yeah, absolutely. Exactly. It was awesome. I learned a lot from it.



Matt Hunckler 12:39

Yeah, sounds like it. Well, and it's it's cool to hear your recounting of the early days, at least earlier days of web hosting, and sort of that explosion of, I mean, really sounds like you were right place right time and a lot of ways of just being one of the companies that has a website on Google that has meta tags. Because you're one of just a few, and you've got a good product and service with a focus on customer service, I imagine the the orders just kind of kept rolling in.



13:10

Yeah, that's a really good point. So I'm gonna, I'll clarify on that a little bit. It's actually a really good point, the first six months, I probably getting 3040 accounts, not a lot, but there were 10 \$20 a month and I was a 23 year old kid. So I was pretty excited. A lot of people might hear that now, including the way we run our company. That's not a lot of money for a SAS by I was 2324. There was, I don't think people realize how lucky they are now because everyone the youth trying to get into startup or software or SAS, there's so much free information on how to do marketing, how to run a company, there's so many

different incubators, there was not a single incubator in DC. Right when I started in 2002 2003 2004. In fact, people were like, how old are you? So you know, there's a lack of resources. There's no doubt about that the table's turned for sure. Completely different 180 degrees now. But with that being said, I got my first 3040 accounts pretty easily. But I will tell you the next 1012 years after that, I really worked hard. I didn't, I was never given a single account. In fact, we definitely hit a hardship towards the end of web net where I decided I want to go in another company and I want to get growth that you know, it was getting harder and harder because hosting was starting to die from a small company standpoint, GoDaddy, was there their pain? You know, right now, if you could Google web hosting pay per clicks, you know, 40 7080 bucks per click, so we couldn't compete. Yeah, we still got you know, got into different niches and stuff that helped us grow but it was never a handout. Honestly, it was a grind. I grind it the first few years got the business to six 700,000 a year a RR right. It was doing About 5060 k of MRR and I run that really lean the first five, six years, I did support myself for the first four or five years. And I made good money with it. But I also learned that I was very immature to not be able to scale it, if I had, you know, the maturity that I have now, the way that I see running a company, it could have been 20 times 30 times bigger than what it was because ultimately, when I sold it, I think we had 30 504,000 accounts, something like that. And a lot of more shared small accounts. So or actually might have been four or 5000. Yeah, but a lot of them are four or five \$6 accounts.



Matt Hunckler 15:37

If you were able to go back in time and do it again, with the knowledge that you have now. What are one or two key things that you would have done differently to maximize the value of that business?



15:49

Yeah, that that's it almost hurts thinking about that because the it was complete land grab the first three, three years of web hosting Yeah, land grab, there's no doubt about it. I definitely captured some business pretty easily, but it was a complete land grab. What I would have done differently is number one, I would have moved to scale it very simple. I would have hired someone to do sales, at least outreach because that's the way I did b2b outreach to other resellers and web designers like my brother to get them on board as a reseller. And then the other thing I would have done is hired another support person so I wasn't there's answering tickets all the time. Yeah, I would get I would delegate that's the two things I would have done instantly.



Matt Hunckler 16:33

Would you have raised money?



16:35

No, I wouldn't have raised money. I just don't think like that. It's just the way I was brought up. I was brought up not to loan money, you know, not even from my parents. We didn't raise money and you screen right now and we have an awesome profit margin and we're growing too. So I don't believe you have to raise money to make money. I think there's enough opportunity. I just think raising money for some various reasons. It's clear, a got really cool and popular really fast. Almost raising Money is like a race itself. It is. Can you imagine spending those first one two years of your really most important time trying to raise money rather than running the company? So no, I don't I wouldn't raise money.



Matt Hunckler 17:14

Yeah, it's a real chat, it can be a real challenge for sure. I So tell me about you screen hot. Why did you decide to start that company? Where did the big idea come from? You know, maybe even take me back there. You know, you're seeing that the web hosting space is getting really, really crowded. How did you make the decision to leave that business and look for a bigger opportunity?



17:35

Yeah, good question. So web hosting, I had it for about 12 years. Okay. 2004. And I sold it in 17 2017. So there's no doubt in hosting when I was getting a bit older in my early 30s or late 20s 2930 years old. I was like, Okay, I gotta move this company forward. You know, we're flatline. We're at a million bucks. AR we got to move it forward. So I hired this really smart marketing I named Bonnie, who I'm still friends with. He came in, we started doing a lot of thinking and looking at pricing. And we had these three big whiteboards in our office. And we really sat down for a good two years together a year and a half and worked really hard. And we gained some accounts and we actually got into niches because I got most of my accounts from e commerce hosting. I connected a shopping cart to the web hosting and allowed people to sell So just think Shopify but in a web hosting level, Shopify SAS, we were more like alright, connect these two components and call it a SAS per se. So I got into that with video I connected video I connected other shopping carts, I got a really good customer called poker strategy. They're still around actually. And they are in a good brawl tar right south of Spain. So they're still around. So they came and

we they used our streaming server, I worked with a streaming media server that's still around, it's called wowza and it encodes videos and delivers via CDN. So they was doing video on the man in life. And I was like, You know what, I wonder if there's



Matt Hunckler 19:04

so so can you slow down just for a minute to for those who don't know the acronym CDN, maybe just to explain what that is the 22nd version?



19:13

Yeah, yeah. So CDN is content delivery network, all the Netflix, YouTube, everyone pretty much uses CDN nowadays, but primarily video my server in Virginia for you, we use AWS now, but at the time, you know, it's hard for that server to deliver video, transport it from Virginia, all the way to Japan. So what happens is a CDN, like Akamai or fastly will store that video in their thousands of servers and then deliver it to the, you know, so if someone's in Japan, it goes to the Tokyo data center. So content delivery now it's ultimately caching. So what happens right now Netflix, the people that watch House of Cards a lot, for example, will that one series gets stored in cache all around the server and then when someone in Japan You know, goes it goes to the Tokyo data center rather than literally coming all the way to Virginia and pulling that one file. So that's what a CDN does.



Matt Hunckler 20:07

So that's the magic behind the scenes. Okay, now, take us back to Poker strategies. And what made them a good client?



20:15

Yeah, poker strike? Well, one, they had money, they were making money, right? They were making money and they paid well. And they basically needed a reliable video on demand live streaming service. And they use this piece of like, basic dashboard that we gave them with wowza to be able to kind of upload their videos. And then they did everything on their WordPress site, and they even embedded the player themselves. So they had enough knowledge to do that. They were early on early adopters, for sure of just streaming in general. Yeah, what I thought to myself is there's really no good way to sell videos, monetize, build a catalog, apps game later and be able to sell subscriptions, one time

courses and all that stuff. There really wasn't there was a Vimeo. You're on demand, which is still around, they take 10%. But it's shared, they hold your money. So I looked around and all that stuff, there was a few basic services. One of them was around, it's called pivot share, and they sold. And they took a 30% rev share 30%. And it was a very basic software, but they did a good job. Initially, I give him a lot of respect early on. So I basically was like, there's not many opportunities out there. So let me build something basic. And I actually got really excited. Because I had cash flow coming from wavenet. And I and I hired a local guy in DC at another we work the first we work in Chinatown, actually, and hired him and he started building stuff and I put it out there six months, I had a proof of concept. Six months early 2015 how much less than that original proof of concept? Yeah, that's good question. We invested actually a good amount and I made a mistake. What happened is my first the first proof of concept was probably about \$80,000 Okay, with In the first 18 months of me only no other employee, we spent about \$240,000 of cash that was funneled in from web net, obviously, some of it I even took from the savings account and follow that in and built it. So in that case, if I didn't have that money, I would have needed funding because I got to market six to eight months with a basic alpha product that I sold to this lady that still works with us. Christine Bullock, this la based fitness lady. And another swimming Academy joined us in our first year called total immersion. He was selling DVDs, he had a very basic embeddable Wistia player and he's like, hey, I want the apps I want to do subscription. And I put them on a very basic, almost broken platform. So think about that. I got a proof of concept built within six to eight months, pretty much selling it on the phone myself. Really fast from the time I had the idea that speed to me Market remember, speed is a market advantage. There's no doubt I got to market quickly. I heard it. I listened. I kept innovating, and I just moved forward. There was a few competitors that absolutely came and went out. Yes, initially, it's very difficult. And also, this I learned for the first time that you screen was an early adopter in the technology of what they call now Ott over the top, which is the apps and video monetization because YouTube has a lot of free content. People five years ago, like, I don't need to pay for content. It's on YouTube. Now. They're like, okay, so I go one place I pay I have all my videos, and I don't see any ads. It's not even a question. So in that aspect, we were early adopters. So there was a lot of people that were like, well, do I really need that? What's the advantage? I could just sell a course on something like teachable, you know, we're completely different than that set up. So it you had to have thick skin to get through that. But now that the markets caught up, and we have the product and we've listened for the last five years, we've really gain some traction.



Matt Hunckler 24:01

So talk to me about that. What did you hear when you initially took that product to market? And sounded like you listen before you built it, then you launched it. And you

continue to listen for the next five years? What were some of those initial things? Biggest learnings that you had when you first took the product to market?



24:19

Yeah, we made a lot of mistakes, not big time. So you know, what's interesting is I'll tell you, like, we made a lot of mistakes. One of them when I spent that hundred hundred 50,000, the first six, eight months one year building that proof of concept, in my 20th month, second year, so I hired my CTO, who's my CTO. Now, I hired a full time developer in house because I was consulting it before. And he came in and within a week, we trashed the first version. So imagine you spend all that money building that code and it ultimately is trashed. But I actually didn't see it that way. To be honest, for a moment I thought about it. You know, that's why I bring it up, but I didn't see it like that. I looked at as an education. I got an Education I spent 100 cat got an education. I got something to the market. I made a few hundred dollars 1000 a month from it. MRR was that grand or so 20 a month. And more than that easily. It was more than that. I think. Yeah, I think 20th month we were at 13 1400 bucks. Mr. So I was making 13 1400 dollars, Mr. 20 months in, I got an education. So what was the mistake that I made? I think one mistake that I made that helped me but also hurt me is I got really excited. I got excited I built really fast. Building fast is a mistake because you don't hear what people are saying. Software. I'll tell you is really complicated to build because it's software is made for a specific purpose. Yes, they're Salesforce. It's very customizable. All this stuff API. They don't have a lot of direct competitors they do but not at that level. In that case, what happens is if you as software has a purpose, so if you Don't build for that specific market and purpose, it's going to be hard to use. So for us, the easy example on the screen website, the first two years, if you went it said online courses, membership subscription sites, employee training, don't advertise them. We're not for employee training. Okay, so we're for a membership site, you can absolutely build a membership site, sell your courses, one time sales, teacher training, all that stuff. You can do that. And there's a few customers that even do internal employee training, but we're not the best fit for that. Yep. Your membership platform. So how you build it, who you build it for? And exactly every feature if it works for your ideal customers, the number one answer or question you should ask yourself when you're building a software.



Matt Hunckler 26:48

Now, that's great, who is your number one customer? And what was the big aha that made you realize like this was the market you needed to go and serve because I'm trying to think like it was clear that software as a service was a great model. But by this point,

you know, I'm thinking Five, four or five years ago, but how did you start to see the opportunity in membership sites and to be that platform that enables those membership sites to charge and and host great video content?



27:24

Yeah, that's good question. Few indicators Well, the customers absolutely we're going the route of subscriptions the membership economy so that's definitely one of them. Okay, we knew everything's going membership. Yeah, to me new video is on the rise right video first comes out, it's YouTube, it's free. Then people are gonna want to make money for it. I got a camera setup right back there. It's hard shooting and creating videos. You got to get paid for it. Yes, there's a you know, youtube adsense and stuff. There's not a lot of money in that you need a lot of us to make 358 10 grand a month. It's like 1% of youtubers reached out Point, maybe a few percent, but it's not high. Yeah. So, you know, it's hard work. So that was the other indicator that I knew people were looking to make money with video. I know, recurring was the way, I also knew that the competition was coming in that aspect as well. And you could see that you could see that there was other names, playing with the content, trying to rank for it and all that. So, you know, I knew that the competition was looking to come this route, because videos always been expensive, right? And when you help someone launch a business, you're not just a tool, you are their business. So in that aspect, we're an all in one. And that's one thing I did early on that is I wanted to build something all in one because when I looked at the market 2015, late 14, I saw that there was tools that did one or the other one tool does analytics. The other tool does the apps. The other tool gives you a website. The other tool you connect and it does billing right Yeah, but I knew the average customer I came from e commerce hosting has no idea how to set up set up a storefront. So if this was going to go mainstream people needed an all in one solution. You know, it's like



Matt Hunckler 29:16

the same concept as Shopify. For e commerce. You're kind of given the all in one. Here's how to run a video subscription business.



29:25

Yeah, so see, that's a good example Shopify learned a lot from to this day. We want to be the Shopify for video streaming, distribution and monetization. And honestly, I think we're going there. Yeah, markets trying to prove that it's starting to prove the obvious. Well, Shopify is a universe but you know, hey, we aim for the stars to



Matt Hunckler 29:43

absolutely well, and you've got a bunch of customers. I'm just looking at your, your website now. Who are some of the kind of key customers or clients that at least you're able to talk about, at Ustream?



29:58

Yeah, yeah, absolutely. So you Yeah, a few good ones. For example, like yoga with Adrian, she has a channel called find what feels good. She's the biggest fitness YouTuber. I think she's second biggest. So she's five and a half million. The biggest, I think is another channel. That's like,



Matt Hunckler 30:11

I've definitely, definitely done some yoga with Adrian classes with my girlfriend. Nice. Nice. Yeah, sorry. fiance. I just proposed the other week with onsets.



30:22

Yeah, thank you. Congrats.



Matt Hunckler 30:24

Okay, so yoga with Adrian's on your screen. Cool.



30:27

Yep, yep. And another audio mixing. Producing type company is called fader Pro. They're pretty cool fader Pro. Yep. And then wanderlust is another fitness one. That's Big Boy, that's got a few hundred thousand users on our platform. Night. Our cast is leadership videos, a lot of b2b. There's a lot of stuff. There's HR D leaders. That's another b2b Hr training type company. Lots of online courses. Magic stream is a cool one. Magic scene calm. That's the Netflix of magic they do extremely well. A lot of fitness a lot of elearning there's definitely some Netflix stuff. There's like nothing else on TV. There's indie film hustle. There's a good amount of like entertainment too I'd say it's about 25% of our audience but definitely e learning educational content lots of fitness and then there's a lot of like YouTube stuff that has a good following that they want to build their own

community it could be a history like real time history just joined us really big History Channel based on a lot of stuff World War Two in Germany that they're launching their own remember you screen helps you build a community you launch premium content for that community. That community right now on YouTube you don't own it's just a subscriber box you don't know their email. YouTube can de monetize your lower your video at any moment. that's starting to happen. That's when people are like, Oh my god, this is all my revenue all my money. I made a full time job I was I don't even know their emails. That's happening all the time. Kids contents the same, right, they're being D monetized, they need to go on the kids channel, all that stuff. So people want a community for a premium channel for their audience. Because YouTube, you're gonna see all the related videos, competitors and all that stuff.



Matt Hunckler 32:16

So talk to me about some of the traits of the most successful companies, the ones that you've named here that are, you know, the biggest ones in these categories that are using Ustream to monetize your audience. What are some of those similarities? of the very best companies in each industry? What makes them successful at creating a video subscription business?



32:36

Yeah, absolutely. With your screen, for example, some of the customers that do extremely well on our platform, I would say, Don't complicate it. So the ones that come right away, and they want to customize heavily. So they're like, Hey, your screen, this is awesome. We really want to use you guys. But we want to customize the front end, we want to customize the backend. We want to use the API most of the time. They fail, they put too much time. And they do start, they put the CTAs in different locations. They customize the look and feel. We've run heat maps, literally with over 1000 live customers. We know where to put the buttons. We know what works. So they start customizing all that stuff. And then they get worse conversions in that case that happens all the time.



Matt Hunckler 33:21

When they're spending their time on. They're spending their time on things that aren't core to their business. That's a great insight.



33:28

Yeah, exactly. So that too much. Yeah, they're spending six months, they're spending nine months and they're spending a lot of money. Yeah, someone can come into a venture. They're like, okay, I've produced content. I know what I'm doing. I'm investing \$1,000 to get started or I'm spending 50 grand or 100 grand. It happens all the time. We have a lot of worship, faith based content. They have some deep pockets. There's a lot of customers with deep pockets, but they spend that 20 3050 k doing custom development initially. That happens actually a lot. We're getting a lot have customers from WordPress they use member fall or member a mouse and they come they spent 1020 k with a developer, they had a lot of problems with finding on Upwork. Then they come to us. And they're like, Hey, this is too much work. We just found you guys. And this is a blessing. How does this work? So we're like, it's all in one. You plug and play the plug and play people succeed, because the formula we have works.



Matt Hunckler 34:24

That's focusing on your differentiator, which is the content.



PJ Tai 34:27

Yeah, that's absolutely right.



Matt Hunckler 34:29

That makes sense. Well talk to me a little bit about this ecosystem. I want to make sure we have some time to talk a little bit about DC area. I know that it's just exploded with opportunity in the tech space recently. Can you tell me a little bit about what you've seen, you know, from living at age seven to selling your first company to now growing use screen?



34:49

Yeah, absolutely. This is a cool place now. First, DC was never it wasn't safe. It really wasn't. There was a lot of crime here and stuff like that. I didn't experience that too much. We grew up Maryland but I would come out to go out and hang out restaurants and stuff in DC. And the memory that I had of DC in the 90s and early 2000s was it was just dark. The lights were off everywhere. It was just dark, except for the DuPont Georgetown areas always been nice. But the more you went east, it was just dark place. But now it's crazy. So

this is changed completely. So the mayor started pumping in money. Literally it was the year late 90s. Or I would say 2000 2001. For the last 20 years DC has been full blast being redeveloped. Right. So in that aspect is is extremely now tech friendly, right? And you got the government. So there's a lot of money. There's a lot of consulting, but then the tech scene is also icing on the cake. So more and more people are coming for the tech scene, for example. And there's a lot of jobs around tech. With that being said salaries are very high. It's very hard to find local talent, honestly, out there now too, right? There's Amazon. Yeah, and those things actually make it harder. For the average company because it they, you know, it just gets people excited and they ask for a lot of money. You have a lot of job jumpers here in DC when you look for local talent, they're always jumping jumping jobs. Remember the government, unfortunately, and I've worked in the government as a contractor gets ripped off a lot per se, from contractors in tech, because they don't exactly know what they're selling. They have these big contracts, there's a day set asides, all these different set asides, and they charge a lot of money to offer services that are mediocre. So what that does is that the average employee, the youth employee, that that's working in tech, is it gives them an ego that I can literally charge 40 5060 \$80 an hour, do a mediocre job, jump around, go to Deloitte go to Accenture. So there's that downside too, but then again, if you go to LA and you speak to some of the tech companies there, they say, yeah, people get up late here. They're hanging out too late at night. So that happens everywhere. You know what I mean? So you just got to find the right right people. That's why we hire remote. It's really easy to find people really fast and good people so you can filter, right? But that doesn't mean DC doesn't have any good talent. So DC is moving forward, right? A lot of tech happening here. There's a really good incubator that I actually worked part time out of. And I've met some mentors there. And it was 1776, which you're also familiar with, like Donna Harris and a few other guys I've met there are ladies, so that there's definitely some opportunity here as well. I actually left DC for about six weeks and I went to New York and worked out of a we work there. The one in Soho West, it's called, because I knew there was a lot of content creators and publishers in New York and I was like, God might be a better place for me to start. This was 2015, October of 2015. So I went there and I actually looked around, spent six weeks there and we work and I was like this place is not for me. There's too much FinTech here. Everything is expensive, too much hype DC is actually better because it's the younger brother and people pay attention more. So I came here join 1776 part time, met a few good people. And that really helped me move forward. So that was a good move.



Matt Hunckler 38:13

Nice. Nice. What are you most excited about right now? At you screen or in DC or just in technology as a whole?



38:21

Yeah, absolutely. I think technology is absolutely at the beginning. There's no doubt there's opportunity everywhere there. It's if there's no doubt, it is not easy to build software right now. Right? It will get easier in the future, but there'll be a lot more competition. So there's so much opportunity in tech right now. It's unbelievable. So if you know how to build a company, or you can figure it out, which most people can you get in, it's a puzzle, you don't give up. You're just hustle. Then in that aspect. There's a lot of opportunity, you name it in every single avenue of software. There's opportunity. There's more people coming online to watch To listen to read, and there's so many so much resources. So in that aspect, there's so much opportunity and I invite people to try it out. But building good software is really difficult. We've had half a dozen competitors come in, not do a good job and leave, or just stay small. Initially, everybody gains a little bit of business, right. But then the good ones really prosper with it with a good name. So I'm excited to really grow the company. We've built something really solid, our software is pretty awesome. And competitor, the users that are with competitors, they come and they're like, this is amazing. So we like that. But we want to stay humble, and paranoid, to continue to build software that we're proud of. So we can get ahead and grow in 2021. Because Well, the work that we've done so far is going to move us so far, and we want to continue to move in that aspect. So I'm excited for growth. I'm excited for health and all the other good stuff that's happening and so much opportunity in tech. It's awesome. I don't think it's ever going to be this Prime to have this much opportunity in tech. Honestly, this is prime time the next three to five years.



Matt Hunckler 40:07

I like it, man. I'm excited too. And I appreciate you sharing some of your story with us here today. Hopefully we can have you back on the show sometime and get an update for everything at your screen. Awesome. I would love



40:17

that man. Yeah, really, really good pleasure. Thank you for having me.



Matt Hunckler 40:21

Yeah, thanks, PJ. That's it for today's show. Thank you so much for listening. A huge thank you to PJ tie for coming on the show. Be sure to check him out at use screen@ustream.tv. And for links to his social profiles and all the other people, companies and resources

mentioned in this episode, head on over to powder keg calm and check out the show notes. While you're there. Maybe check out some of our other episodes coming up and join for one of our Powder Keg live episodes and you can ask your own questions. You can find all that information at powder keg.com slash events where we have so many great guests coming up from all over the world talking about topics that are hyper relevant right now. So check out Powder Keg comm slash events. And go ahead and sign up. Make sure you reserve your spot so you can get your questions answered live on the show. And if you're currently in the market for finding a new role and want to be connected to cutting edge companies, you can join the matches platform at Powder Keg comm slash jobs. As I mentioned, we're recording this intro and outro during a global pandemic. We've had so many people coming into the powder keg community saying that they just got laid off or referring their friend who just got laid off as part of what seems to be an economic downturn not seems to be it's definitely an economic downturn. I am super passionate and our whole team is super passionate about helping these people get plugged into a job where they can really thrive as quickly as possible. So if you know someone or you yourself are looking for a new role, go on over to powder keg.com slash jobs and apply for the matches platform. Totally free We'll connect you directly with decision makers, to hopefully connect you with the job you love. And to be among the first to hear the stories about entrepreneurs, investors and other tech leaders in areas outside Silicon Valley. Please give us a subscribe on iTunes if you haven't already powder keg.com slash iTunes. We'll catch you next time on the powder keg podcast.