

The Tim Ferriss Show Transcripts

Episode 34: Ramit Sethi, Part 2

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Tim Ferriss: Hello, Ladies and Gentleman. Welcome to another episode of the Tim Ferriss Show. This is Tim Ferris. What you are about to hear is part two of a two-part conversation with Ramit Sethi. He is an entrepreneur, he has tried venture backed, now he is going self-funded boot strapped. He is a behavioral change and persuasion expert and also a very good friend of mine.

If you did not catch the first part, you might want to do that before venturing in. If you do not mind your stories as more of a jigsaw puzzle, then by all means, keep on listening and we tend to bounce around quite a lot. So, I think that you could almost listen to them in reverse order and still get a lot out of it. But, for the background context and so on, part one has a lot of that.

And now, without further ado, please enjoy part two, the final part of the Tim Ferris Show with Ramit Sethi.

Ramit Sethi: Now, so the revenue per email.

Tim Ferriss: I am your quintessential case of reticence to monetize and of course I have been ridiculed for years by many friends because of this, which is fine.

My general approach to date has been it is either free or it is really, really high end and very expensive and I think a good example of that was OTK, Opening the Kimono. That event that I said was going to be one time and at least to date it has only been one time and it was – depending on when people signed up, it was between \$7,500.00 and \$10,000.00 a seat and it sold out from one blog post.

And I remember I was talking to someone about event management, somebody who does this for a living, someone who is putting on events once a quarter, making a lot of money from the events or so I thought. And I asked her at one point what she would do to fill an event with between 120 and 200 people at this given price point. She said, well you are going to have to hire a full time person to do the following 12 things. You are probably going to have to pay for the following type of marketing and

outbound and this and that and the other thing. And all it took was one blog post.

Now, the way that I explained that is that I have given away so much free content and value, 100's of books worth of content on the blog that I have established a level of trust with my audience, so that when I finally offer something for sale they understand and assume I have given a lot of thought, which is true. Do you think that's a foolish approach?

Ramit Sethi:

No, I think it is great. I gave away 98 percent of my material for free and then for many of my flagship courses, they are extremely expensive. In fact, ten to 100 times what my competitors charge. So, I love the idea – in fact, I will even take it one step further. A lot of times people they would come to me and say, that is ridiculous. Maybe if it were \$30.00 and I just smiled because I do not play in the \$30.00 sandbox. I do not want to play there. I would rather give it to you for free than play in the \$30.00 sandbox. And I think it is very important when you think about pricing and positioning – it is very important to think what does this mean for you?

It is the same reason where if you go to the farmer's market and you see a guy selling a t-shirt. He is selling it for \$25.00 and you go in there and say I will give you \$3.00. Look, the guy is probably still making a profit on \$3.00, but why is he going to laugh you out of his store and just turn his back on you? Why? Because he does not want to play in the \$3.00 sandbox and he would rather just say a blanket no, than even make a small amount of revenue.

So, I really love the idea of give away as much as you can for free, but do not be afraid to aggressively sell. We are unapologetic about how aggressive we are because we have done the testing and we know that it works. So, we sell at high price points and we sell when we sell. And I could share stories of how we have done that and all that stuff, but I think you should be unapologetic about that.

Tim Ferriss:

So, let us take a real case then, something that I have been considering but I have been very hesitant about and I have been considering this for a long time. I know that you are probably kind of laughing to yourself because every time we meet up I am like, you know I have been thinking about this thing and my God.

Jesus Christ, stop thinking about it and either do it or do not. It is a very sensitive ground for me. So, I have considered doing a course. But, even that term I get kind of antsy around. I have been

considering trying to do an experiment whereby I try to take the adherence rate with say the Four Hour Body and Slow Card Diet and so one, which is very high. We have tracked it against multiple other diets. We have done randomized testing and launch [inaudible] studies looking at basically out of every 100 people, how many fail and quite on different diets. And the slow card diet has a very, very high adherence rate.

And of course, the good program you follow is better than the perfect program that you quite. So, looking at the behavioral science side of things. A fantasy of mine is to take – let us just say – this is an arbitrary number, but 1,000 to 2,000 people and try to experiment on those people and charge them for it, but in sort of a tight knit private community with a bunch of stuff to try to get that number as high as possible.

The sort of adherence and conversion rate as high possible for – I don't know. probably a four to eight-week period. If I were to do something like that, and if you think there is a better idea I would love to hear it, but if I were to do something like that how would you suggest I approach in a way that I do not get lumped in? because we both know there are a lot of folks out there who are just super scammy folks in the internet marketing world. How can I avoid getting lumped into that because I feel like that would do more damage to me than any revenue to be derived from such a product? What are your thoughts there?

Ramit Sethi: This is something that I struggle with myself because I do not want to be lumped. The name of my site is I Will Teach You to Be Rich and I have online video courses. That range anywhere from a couple of hundred bucks to \$12,000.00 for some high end stuff.

How do I prevent myself from being one of those guys with two thumbs up in front of a jet that is actually rented, being towed away as we speak, you know?

Tim Ferriss: Wolf of Wall Street style.

Ramit Sethi: Yes, I have seen the dark side of this industry and it is simultaneously disgusting and hilarious. The stories I could tell you are unbelievable.

Tim Ferriss: So, how do you do that? How do you maintain your integrity and still sell?

Ramit Sethi: I think there is a few things that I learned. 1.) Is, you are in total control. So a lot of people said I do not want to write long form copy or I do not want to have to write those sales letters that have the yellow highlight in it. And my answer was, you do not have to do that. You can do whatever you want. There is a reason people do that. I think it is worth learning, but you do not have to do that.

The next thing is, you can choose who you allow to join your material. So, I make it – when I first started I was like the classic novice seller where I was like, hey guys here is ten reasons that you should join. Please, please, please join. It will be so great. Come on. We will be friend. And nobody wants to go to a party where someone is begging you to come.

Tim Ferriss: Right.

Ramit Sethi: In a recent launch we did, over one million people saw our launch and we had fewer than five complaints about price. Not 5 percent, but five and this was a very high priced product. Why? Because I am very selective about who I allow.

I will give you an example. I always wanted to run a business my way, not just appealing to anyone. So, one of the things I do is I prohibit anyone with credit card debt from joining my flagship courses.

Tim Ferriss: How do you – now, this is an interesting point. I was going to ask this earlier. How do you sort of mechanistically or process wise, how do you do that? Because this is a super important point.

Ramit Sethi: Yes, so – let me tell you about the decision and then I will tell you what happens.

Tim Ferriss: Sure.

Ramit Sethi: So, there is a well-known sushi restaurant in San Francisco and it always has a line out the door and if you are not there by 7:30, you are not getting in. and when I finally got in for the first time, I am like looking around like a weird-o. I always want to optimize stuff and they have like so much empty space in the restaurant.

First thing I do, I do not sit down and look at the sushi, I am like if they added four tables they could increase revenue 25 percent because I am a nutcase

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And what I realized was they just do not care. They do not – revenue is not their primary goal. They want to run the business the way they want and I loved that. I loved that I can run a business and tell people who I do not want, you are not right for this material. And so I reframed it in my mind from begging people to – look, I would love to serve the right people, but I am not looking for everyone. I am just looking for the right people.

So, the decision to not allow people with credit card debt to join my flagship program, that cost me over \$2 million a year, but I think it is the right thing to do. Ethically, I do not think that they would be buying it if they knew what was best and also I have always told them. Use my free material, pay off your debt, come back. I will still be here. I have been here ten years. I will be here for the next 20.

So, we use a combination of carrot and stick. Carrot, I explain to them why. I do not need an extra \$1,000.00. It is not going to make a difference in my lifestyle, but it would be great for them to take that money and put it toward their debt.

And I explain why in the context of why I am doing this and all of that stuff. The stick is if they join anyway and I find out, not only will I refund their money, but I will ban for life and to my knowledge, no one else does this. But, it is important to me and I always wanted to run a business the way I wanted to.

So, once we did that, we saw a very, very dramatic shift in the type of customers that were joining my programs. It trickles down to every part of the organization. We have a higher open rates, higher adherence rates, better customer service emails. And when people hear it the first time, they are like what? It is a very un-American thing to be told you cannot buy, but for my needs and ultimately I think for theirs – I think I am doing it out of service to them. They should not be buying my course. They should be paying off that debt and then coming back.

Tim Ferriss: How do you find out – how many people are on that banned list roughly?

Ramit Sethi: Oh, a lot, a lot. It is called DNS, do not sell. I take great pleasure in adding people to that list because like I gave you a chance. You disobeyed my rules and now I am sorry. You do not get to join anymore.

Tim Ferriss: How do you decipher that they have gone – that they have actually

gone into debt to purchase the product? Is it because they stop paying on multiple –

Ramit Sethi: Yes, there is a few ways. There are a few ways. There is a couple that I will not mention publicly. But, I will tell you that of the people who ask for a refund because all of my courses – I am so confident about them, you can take the entire course and ask for a refund. But, we believe that most people do the right thing. If they get value out of the course, they stick with it, and that is why we have been able to grow and continue getting people to join.

Fully 40 percent of those people who refund, do it because they have a debt problem. So, those people are banned forever.

Tim Ferriss: What do you think of an approach just to avoid that? Because that is one of my nightmare scenarios is someone going beyond their means and digging an even deeper hole for themselves by going into debt for something that they really shouldn't be given their financial position.

Spending money on – for OTK, I had an application process and we turned a lot of people, but I really dug into the finances and so it would ask questions like do you have at least \$50,000.00 in savings in the bank. Because this was a product, keep in mind, that was an event that was \$10,000.00 for some folks. And secondly, we did not take any credit cards. You had to wire the money and with the combination of those two approaches a number of things came to light.

Number one, you have the have the money to wire it. So, there is that. Secondly, if people said no I do not have X amount of savings, then we would politely tell them that we did not want them to come to the event because it would put too much of a strain on their finances. And we asked questions like, would you feel a high degree of pressure – would you feel a lot of pressure to make the price of this event back in the subsequent six months?

If they answered yes, then nine times out of ten they were out. The other thing I did for an event at least – and maybe this does not apply to online, but I suspect that it does because people are even more of a pain in the ass when it is virtual. If people got really uppity in their responses – I remember one guys said, yes I have plenty of money. If you and your financial nanny want to see my jet on the tarmac when I come, you are welcome to check it out. And I was like thank God for that dick response because now you are not going to be able to behave that way at the event. Goodbye

and that was the end of that guy.

But, is there a way that you would improve upon that process? Or what do you think of taking that approach? Where there is no –

Ramit Sethi:

I love it and I still remember it to this day and I really admired you for doing that because so few people will. And ironically when you stopped chasing the raw dollars and you start chasing something a little bit more meaningful than that.

Like in your case, you wanted to get the right audience. In our case, we want the exact same thing. We want true behavioral change. Then ironically, you will have more money than you ever know what to do with. I think that is a great approach. I do think that when we first instituted this, I had a lot of angry people tell me, who are you tell me what I can spend my money on? Blah, blah, blah and one of the things I learned is that if a lot of people are telling you something – like, I am happy to blame one person if they are really rude to me. But, if 20 people are rude to me, it is probably my fault.

So, I looked at the copy and I simply had not explained why they could not join. I just said, credit card debt is bad, blah and understandably people got upset. So, I learned how to refine the message. It took us about six months and those questions have vanished. They just went away.

So, I love the application, especially for something expensive. If it is like \$100.00 I probably would not do something like that. I would just tell them the rules. But, I think it is – for anyone listening, whether you are starting a business, whether you have children, whatever it is you are doing, people want boundaries.

We want boundaries and it takes a very high status person to be able to say this is what I am looking for and this is what I am going to put up with. And if that is not right for you, that is okay. Maybe we are not right for each other. And I think you become so much more appealing once you do that.

Tim Ferriss:

Well, I think you need – I think human beings and certainly speaking for myself, need constraints to be productive or even happy for that matter. And I think *The Checklist Manifesto* is a great example of that. You do not want to have infinite options for every action and by creating constraints, whether it is for writing, whether it is for art, I think you can dramatically improve your creative output and your general sense of satisfaction when you

very artfully and strategically create constraints for yourself.

I think of things like the Pomodoro technique, for instance. 23 minutes on with a break afterwards. Provides structure within which you can be more effective than if you are willy nilly in a very vague sense trying to do – “be productive.”

Just to shift gear somewhat completely, you mentioned something earlier that I have never really asked you about or brought a questions to mind. You mentioned that people have said to you, go back to India. And needless to say, I have never received – even though I am of Danish decent. I am a European mutt. I do not get go back to Denmark very much. How does race factor into your life at all? If it does. I’m curious.

Ramit Sethi: This is a good question. We haven’t talked about this before.

Tim Ferriss: No.

Ramit Sethi: Very interesting. So, I think it effects a lot of the ways I think about things. I was raised with two immigrant parents, from India. Pretty traditional household. My mom stayed home with four kids. My dad went to work and we went to Temple pretty frequently. Things like that. I have a certain outlook on life thanks to my parents and my family.

Like a few things, my family is – like being very honest about stuff. Like, Indian people – or pretty much anyone, except for in America – if you are overweight and you get off the plane, the first thing they are going to say is wow you got fat. Like it is like point blank and the truth is, you did get fat. So, that brutal honestly – the first couple times you hear it, you are sensitive. But, at this point, you cannot change a culture. Not overnight and not one person and so appreciate that honestly and you will find that a lot in my material. It is like, looks let us just call it for what – let us call it out and let us call it what it is.

And I am not saying that I am going around to people saying you are fat. I am saying that if you cannot afford something, let us just talk about that and be honest about it or conversely, if you want a \$1,000.00 jacket or pair of shoes and you can afford it, awesome. Who cares what people think? Let me show you how to get it. I think that played a role.

I learned how to negotiate. From a young age my mom was taking me to like Macy’s and showing me how to negotiate there. I am

not kidding. It is awesome.

Tim Ferriss: Macy's? That is great. Most people would assume that just would not work if you go to a big box.

Ramit Sethi: [Inaudible] to this day. She would be like, don't talk to that lady. She is too experienced. You can tell. Go look at that one. She looks new. Go try it with her. I am like, alright. So, I learned that and then just in general I think a lot of ideas about service and wanting to give back. And I think probably some of the most popular things I write on my site are about the crazy things my mom and dad do because they are Indian.

Like, for example, my mom trying to set me up with everyone. My dad who took my resume, which I was trying to get an internship in college. He took my resume and changed my major to computer science. He literally changed it. I'm like, Dad, I am not in computer science. And he just did not respond. I am like, legit.

Tim Ferriss: That is really funny. So, I remember a post that put up on the blog some time ago. It was guest post called How to Negotiate Like an Indian.

And we have kind of talked about some of this stuff, just kind of culturally. There are definitely some differences and some patterns you can spot, in certain cultures. Just like you mentioned being called out as fat. As it turns out, pretty much in any non-English speaking or non-natively English speaking country that I have bene too, that is the case, right?

You go to China and they are like [Speaking Chinese]. They are like – and they will just point blank, especially the Chinese. Or you go to – you are fat and you go to South American. Man, if they think you are on the same team – meaning you look slightly Latin, you are going to be like, gordita, gordita. You are going to be called fat. It is just that is going to be your nickname in a lot of cases.

But, when this post went up I had a lot of people come out of the woodwork and they are like, that is racist. And the fact of the matter is, it was a very complimentary post and if you look at the stats, at least last time I checked it out – in the case of Indians, they have founded more engineering and tech companies in the US form like '97 to 2007 than immigrants from Britain, Taiwan, China, Japan combined.

I have been really impressed with TiE, the organization in Silicon Valley. The [inaudible] entrepreneur, which is just amazing. How do people respond to your commentary on sort of the – you are Indian, so of course you have sort of license to talk about growing up Indian and all of these cultural idiosyncrasies. But, do you get a lot of flak for it or do you not? And I am curious why or why not?

Ramit Sethi:

That is a great question and no, not really. I get it only from journalists who are in a way trying to stir things up, asking like was this – is this an issue for you? And the answer is no. People get it. So, let me give you some examples of things that I talk about as an Indian person.

I talk about negotiating like an Indian. I talk about how when I would go to buy a car, when my dad would go to buy a car for our family – most people walk in and walk out. We spent three days there. I am not joking. We would eat breakfast at the dealership. We would negotiate all day, then my dad would say this is too much. We are going home. And we would leave and then we would go back the next day.

And in fact, speaking of like Indian terms, here is a really funny one. If you Google how to raise a financial wizard. The *New York Times* did an article and they have my parents picture right there. Take a look at the UR. The URL was originally how to raise a financial guru, but they thought it would be too offensive. So, the URL persists, how to change a financial guru, but they changed the title How to Raise a Financial Wizard. My take is look I am not going to comment on race relations or anything like that.

I think that the Indian community is amazingly strong. I joke about being Asian sometimes. I have a side site called yoursurrogateasisanfather.com. You have not seen that before. I have never publically mentioned it.

But, I tell people like as a joke, look I am your surrogate Asian father and what I mean by that is we all want someone who will tell it to us straight. Who will tell us when – you know what? You did a good job, but I do not think you did your best. Or that was amazing and we should celebrate. Actually, no Asian father would ever say that last part. They would only say, you did not get an A plus, what is wrong with you? Which is the correct way in my opinion.

So, it is partly joking, but I think we all kind of – like, I have

people who are Jewish, I have people who have Latin parents and they all kind of get it. Whether it is Asian or not, we all kind of get having that one uncle who is like never quite satisfied, but you know that he supports you and he loves you. And I think that is exactly what I Will Teach You to Be Rich is about.

Tim Ferriss: Man, great stuff. Okay, I am just going to bounce all over the place. I am going to throw some random questions at you. The first is, when you think of the word punchable who is the first face – whose face comes to mind?

Ramit Sethi: I cannot tell you that. I cannot say that out loud.

Tim Ferriss: Why not?

Ramit Sethi: I will be in big trouble.

Tim Ferriss: Nobody is listening. It is just –

Ramit Sethi: No, they are definitely listening. I can tell you that for 100 percent fact. They know who they are. I cannot say it. You know who they are.

Tim Ferriss: Okay, alright we will switch that then. When you hear the word successful, who is the person that you think of?

Ramit Sethi: I think of – there is a guy I recently met, his name is Mark Bustos, B – U – S – T – O – S. He has an awesome Instagram account. He is a very high end hair dresser in New York. He works at like a top salon and on the weekends he goes and he cuts the hair of homeless people around New York and he records it and he writes about their stories. And I think it is so amazing that he is at the top of game as a hair dresser working with celebrity clients and things like that, and then on the weekend – on his one day off he goes around and is of service to people who ordinarily would never have the chance to get their hair cut, especially by somebody like him.

So, I think he is a great guy.

Tim Ferriss: That is amazing. How did you come across him?

Ramit Sethi: I heard about him at that salon and then I saw him on Instagram and then I just started seeing news article after news article about him. And it turns out, he is a pretty big thing. His story got out and I am so glad it did.

Tim Ferriss: That is amazing. I will have to check it out. What book or books have you given out most as gifts, besides your own?

Ramit Sethi: There was a point where – there is a point where any author walks around with a backpack of their own books and when – and no matter what, when they meet someone, within ten seconds this author will tell everyone in the world that they just came out with a book. The next question is; oh do you have a copy? Oh, as a matter of fact, I just happen to have ten copies on my back right now.

Tim Ferriss: That is kind of like What About Bob? I do not know if you remember there is a scene in What About Bob that I appreciate more every year as just a work of genius.

But, there is a part where – why am I blanking on the actor's name? But, the psychiatrist is in his office in New York and he is like, "There is a great new book that just came out." He is like, "Let me see." And it is a shelf all of his one book with the spines facing out and he is pretending to look like, "Let me see, ah yes here it is." And he pulls it out. But, anyway, I digress.

Ramit Sethi: So, I will give you two favorite books that I really love. One is called *Mindless Eating*. It is amazing. It is a book about food, but it is actually about psychology and we all eat and we all think we know why we eat what we do. But the answer is most of us have no idea and if you can understand this, you can understand so many other parts of why you act the way you do. So, that is number one.

Number two is an old throwback. This is a book I believe from the early 20th century. It is called *The Robert Collier Letter Book* and it is an amazing book on copywriting and really how to understand human behavior and human drive.

And it has famous ads from many, many decades ago with an explanation of why they worked. I think it is really powerful and those lessons are timeless. People will never change. These lessons will never change. It is amazing.

Tim Ferriss: I am astonished I have never heard of that one. At least for a period of time, fashioned myself kind of an astute student of copywriting. That is very cool. Glad to have a new one. If you – also on the book subject, if you were to take let us just say a handful of 30 year olds who have had a bit of success. They have been out in the world for a while, decently intelligent, and you are going to receive

10 percent of their future earnings. But they are going to become entrepreneurs for the first time. What books would you give them if you had – if you could only give them three books, what books would you give them?

Ramit Sethi: Oh, boy. Let me think about that. I can tell you the areas that they would be.

So, one of them would be *Age of Propaganda* by Pratkanis and this is a cousin, you could say, related to the book *Influence* by Cialdini many people have heard of. The *Age of Propaganda* is less known. That and his other book, *Social Animal* are outstanding books on human behavior and it is interesting that so many of us focus on our technical skill, but ultimately being able to understand why we do the things we do and why other people do the things they do is so much more powerful. So, those would be two of them. Those are psychology books. And as for the third one, I am going to have to think about that.

Tim Ferriss: Okay, we will come back to it. Now, I do not want to let you off the punch question so easily. So, I am going to change it. When was the last time you were punched in the face?

Ramit Sethi: Indian people do not get punched in the face, dude.

Tim Ferriss: You are just too fast? You pull a Matrix?

Ramit Sethi: They do not get in fights. We are doing spelling bees. We are not getting fights. You are like the Mr. Jock. We do not do that. I know you – we are sitting there studying three hours a day.

Tim Ferriss: Alright, alright. There is actually an amazing – if for you people out there who self-identify as Americans, check out a documentary called *Two Million Minutes* and it basically compares high school students, a hand full in the US and a handful in China and a handful in India, and it will strike terror into your heart. It is insane how intense the students are who are profiled from China and India. It is just like an Olympic training center of spelling bees and music and so on. It really made my jaw drop to see the discrepancies.

Ramit Sethi: Awesome, thanks for the rec.

Tim Ferriss: Yes, really, really pretty wild. Speaking of documentaries, do you have any favorite documentaries that you can recommend to people?

Ramit Sethi: Yes, the classing one that I refused to watch for so many – for like a year and then finally I did was Jiro Dreams of Sushi.

Tim Ferriss: So good.

Ramit Sethi: I mean so good and look, the lesson behind it was if everyone tells you something, it is probably true. I remember one day I was getting out of the shower, I had no music, I did not feel like listening to it and I just put that thing on. It was on Netflix and within ten minutes I was transfixed. And so my thing is if everyone tells me, it is probably true. And it was amazing just to look at the level of almost obsessive focus on mastery of just one thing. Like, ten years to learn how to make rice. I do not want to do that, but I want to learn about it and maybe do it for my own life skill.

Tim Ferriss: What was your favorite part of that movie? I have one particular scene that jumps to my mind. What – do you have a particular part in that movie?

Ramit Sethi: Yes, there is two. The rice thing was revelatory for me because – I thought I knew what it takes to be good, but he showed me what it meant to be great and ten years before you get to touch the rice. That was astonishing to me. The second thing was Chef Jiro, he finds out if you're right handed or left handed and that way he can serve the dish appropriately for you.

That is a level of detail that I think we do not see too frequently in our day to day lives and yet, at the highest levels it is just routine and it just opened my eyes to what could possibly be.

Tim Ferriss: Yeah, it is so amazing. Of course, my first real overseas experience was a year as an exchange student in Japan and have a longstanding love affair with Japan and just endlessly fascinated by the culture and go back often. Every culture has its very weird and in some cases, unappealing parts. But, Japan is a very eclectic mish mash of sort of absorbed influences and very old traditional influences. I went to his younger son's sushi restaurant and we went extremely early and we got to spend about an hour and half just us, there were four us, with him and I was the official translator.

It was just a fantastic experience and you mentioned the left and right hand and I do not know if you recall that the youngest son's sushi restaurant is an exact mirror image of his father's sushi restaurant because one of them is right handed and one is left

handed.

Ramit Sethi: Oh, wow.

Tim Ferriss: And the scene in that movie, there are two that sort of stood out, but the one that really stands out is when a customer comes in and is asking what else they have and he is asking do you have appetizers? And he says, no we do not serve appetizers. Like, do you have this? And he is like, no we serve just sushi. That is it. Very unapologetically and if you want to talk about someone who just gives zero fucks about the scaling a business.

He could have a 100 seat restaurant and he would – it is like ten to 12 seats in a subway station. Just amazing. Any other documentaries?

Ramit Sethi: None that come to mind. That is my favorite.

Tim Ferriss: James Bond or Jason Bourne and why?

Ramit Sethi: Jason Bourne.

Tim Ferriss: Why?

Ramit Sethi: You know what? I think that by the time I was born and watching James Bond movies, I had missed the decades of James Bond allure and Jason Bourne is just cool.

He is the best. He is just a cool guy. I love it.

Tim Ferriss: I think I identify – I aspire to have all the skills of Jason Bourne, but I most identify – I would say at least once a week, I feel like he did in the first movie when he has his outburst in the car and he is like, “I do not know who I am. I cannot remember what happened. I do not know why I am here.” I think that is primarily why I identify with him so much.

Ramit Sethi: Love it.

Tim Ferriss: Dogs or cats?

Ramit Sethi: Neither.

Tim Ferriss: Neither?

Ramit Sethi: No way.

Tim Ferriss: Explain.

Ramit Sethi: Well, when I was a kid my sisters wanted a dog, but we could not get one because my dad is allergic to dogs and then seven years later we found out he is not allergic at all. He just does not want dogs. And I was like, I applauded. I was like this is the longest lie I have ever heard. It was beautifully executed and I cannot wait to do that to my own kids.

Tim Ferriss: But why do you not like pets?

Ramit Sethi: Why do I want them around? I just never grew up with them. They seem like a lot of responsibility and work. I do not need the love of a dog or cat – cats do not even love. I do not need the love of an animal in my life. So, I am good. It is kind of like I see these dogs – I like watching them on the street. I like watching them meet. I have an intellectual curiosity in them, but I am good.

Tim Ferriss: You mentioned –

Ramit Sethi: Is that weird?

Tim Ferriss: It is not weird if you did not grow up with pets. I do not think it is an unusual response. I think a lot of Americans grew up with pets. I grew up with two dogs and four cats. I am very partial to dogs.

Ramit Sethi: I am not surprised.

Tim Ferriss: You might recall – well, I have had a number of tweets and Facebook posts – particularly if I have had a bit of wine and I am fully aware that I am somewhat intoxicated when I put these out. That is part of the fun. That kick up a big fuss and a friend of mine put it – I grew up with four cats. Look, cats are fine. I just prefer dogs. And a friend of mine said, a dog is a pet. A cat is an animal that happens to live in your house.

And I put out a tweet that was, if you are a cat were 70 pounds heavier it would kill you in your sleep and people did not respond very well to that.

Ramit Sethi: You know what? I am going to echo what you said about Americans loving their animals because I used to do this segment on ABC and I had done it so many times that at a certain point, I had a good banter going on with the anchors and this. And I just started telling jokes. Like, how many jokes can I tell before they

kick me off this? Okay, and I started making some seriously – they were tasteful, but they were pushing the limit.

The only time ever that I received hate mail for anything I said on that channel was one day I made a joke about pets. I come home and like you said, you wake up and there is like – you have a PR crisis. I open up my email and I am like oh my God and I forgot Americans love pets. I learned let me just keep my mouth shut in the media, except when I am speaking on your podcast to like four million people.

That is great. Great job Ramit.

Tim Ferriss: So, if you – let me rephrase this. So, if you went to, let us just say China – I have eaten dog before. I had to try it. I was there. It was not delicious. I had horse as well. It is a sweeter meat for a host of reasons. But, if you had to eat a particular species of dog and you could choose on the menu, what would you choose?

Ramit Sethi: I do not even know more than one species. I only know like golden retriever. But, if the question would I eat dog? When in Rome, you know I will always try something once. As for what species, I do not even know – if you put a dog in front of me, I would be like – and you put like a German Shepard, I would be like what a nice golden retriever.

Tim Ferriss: You are such a bull shit artist. You just called it a German Shepard. Anyway. What has become more important to you as you have gotten older or less important? Let us just say in the last five years.

Ramit Sethi: Wow, more important is surrounding myself with beauty. That is something that I actually made it one of my resolutions this year and I think I am a pretty kind of like unsymbolic or direct guy. I was the kind of guy when I grew up, I did not have any posters on my wall and when I had a cubicle I did not decorate it or anything. I started to see the people – like artists, especially that inspire me and they are all about inspiration and beauty. And it could be beauty in the type of dishes they use or it could be in the their apparent or whatever it might and I got inspired by that. That has become much more important to me. To be able to surround myself with beauty, with organization. It has changed my mind a lot.

Tim Ferriss: How has that helped you? How has that improved your life?

Ramit Sethi: It helps me look for subtle nuances that I did not see before. So, I walked into my – an old apartment and it had no posters on the wall, no painting, everything was just white and everything was very utilitarian.

And I thought of myself like that. Early on I was one of those guys that said, they should recognize me for me, not because of some clothes I wear. But, I came to discover that first impressions are important. What are you wearing? How are you standing? What is your posture and your smile? And also, when I see something beautiful, whether it is interior design or a dish at a restaurant, now I can appreciate the beauty and the work that went into that and the craftsmanship.

So, looking at Jiro Dreams of Sushi for example, it just looks like a simple piece of sushi, but the amount of work that went into it is actually decades and decades of work. And so I would say with a little bit of time I have just come to appreciate that beauty more.

Tim Ferriss: What is the gaudiest thing that you have in your house? In retrospect where you are like, wow I was trying to figure out this beauty thing and God damn I got it wrong with that.

Ramit Sethi: No, no, no. I will tell you the gaudiest thing that I love. How about that?

Tim Ferriss: Alright. Yes, let us go there.

Ramit Sethi: Okay, alright so the one thing that I wanted when I moved to New York was home cooked meals and I do not cook and I used to have all these excuses. Then I started working from home and my mom is like you need to cook. And I said, “Look, mom I am not going to cook.” Her response, “You need a wife.” I was like, “Mom, do not say that out loud. That is pretty sexist. Okay?” She goes, “Whatever.”

So, she does not care. So, I have a chef, which is for me that is one of the fortunate things that I have been able to do.

Tim Ferriss: Is that code for your wife?

Ramit Sethi: Nope, I do not –

Tim Ferriss: I am just kidding.

Ramit Sethi: That would get me into real trouble here. No, it is not a wife. It is a

chef. So, that is probably the gaudiest thing that I would say.

Tim Ferriss: Do you mean – gaudy – do you make your chef dress like the Swedish Chef or like wear like Iron Chef gold?

Ramit Sethi: Yeah, yeah I told this chef to dress up in a skimpy –

Tim Ferriss: Oh, boy here we go.

Ramit Sethi: And the only problem is that it is a man, so it did not work out that well.

Tim Ferriss: It is like a 50-year-old Ukrainian guy.

Ramit Sethi: Yeah, yeah he – the chef does not come in to my apartment. He just delivers it.

Tim Ferriss: What is the best \$100.00 that you spent in the last year? Bang for the buck of stuff where you are like, God I cannot believe it took me that long to do that.

Ramit Sethi: Oh, okay. Alright, so in the last year a second power cord. That was ultimate no brainer. I cannot believe how resistant I was to doing that because it was just wasteful in my mind. So, that has been amazing.

Back when I was first starting off, the best \$100.00 that I ever spent was always taking people out to coffee, always. Emailing a lot of people – in fact, that is how you and I met. You emailed me and we went out to coffee and turned into a very long friendship. That was a thing and I cannot encourage that enough, to just take people out to coffee. It is the best investment you can make.

Tim Ferriss: What was your pitch because you and I have both commiserated about the lack of focus in most requests that we get via email.

And I was like, hey I know you are really busy, but would you like to come out to a few hours of coffee where I can pick your brain and then maybe you can be my free full time mentor for the rest of my life? That type of undirected email very seldom gets a response. So, what were the emails that you sent – or in retrospect, what is a good way to have coffee with people and what type of folks should you actually aim for?

Ramit Sethi: Great, great questions and both of us had to go through the fire to learn this. I think that if you are trying to meet President Obama, it

is not going to happen. If you are trying to meet some NFL star, it is probably not going to happen. If you are trying to meet someone that profiled a couple of months in *Fast Company* or an author or a blogger that you admire, that is imminently achievable. What it takes is being direct and making it clear what you want. The classic mistakes people have is they start saying, hi I will make this short and then like 18 pages later they end their email.

It is like, so yes okay I guess I went too long. Bye. I am like, delete. Or they are very transaction. Like, Ramit I will buy you lunch and I would love to get your advice about A, B, C, D, E, F, G. And I am like, I could buy my own lunch dude and also, I have written about this for the last ten years.

So, one of the things I think the best people do is they introduce themselves, they find some kind of commonality and then they make it clear what they are asking for.

So, it might go something like this, Hi Tim, my name is Ramit Sethi. I am a student. I just graduated from NYU. I have been following you for the last six years and the best thing you ever wrote that made a huge difference in my life was the article on going from Geek to Freak. Here is my before and after photo and I did that all because I followed your protocol. I am going to be in town for six days. I am looking to decide between X and Y jobs. I know you worked at X. I would love to get your feedback and if you have the time, I will come to you wherever you are, even if it is for ten minutes or Skype or Phone. Whatever you prefer. But, I can promise you that I am going to take your advice and I will follow up with you to let you know what I decided.

You have a chance with an email like that. I even actually wrote an eBook about this. About my 50 best email scripts. 50provenemailscripts.com and that was because I had seen so many bad emails, but also so many great ones. I think the ability to write a great email and connect with someone is a huge differentiator.

Tim Ferriss:

Definitely, I would add two things to that. The first is I genuinely feel that you will get a higher response rate from people if you do two things. The first is do not go after people who are currently in the limelight. If people are currently doing a lot of media, you are going to be one of many people trying to get their time and your chances go down. So, find someone who was in the limelight maybe years ago, who is still very good at what they do.

And maybe it is not a public figure at all. Do not aim for Michael Phelps if you are trying to improve your swimming. Maybe you should find someone who is like a bronze medalist tow Olympics ago. Guess what? They are still very, very good and a hell of a lot better than you. So, do not necessarily aim for the very top. Your response rate will improve. Secondly is give people an easy out. I paradoxically just find that the responses are better because there are still people who are a hell of a lot harder to reach than I am.

So, I have a friend who knows Arnold Schwarzenegger. I would like to interview Arnold Schwarzenegger on the podcast. I believe he has actually listed to a few of the episodes, but he is in a hell of a lot more demand than I am and I were hypothetically – I have not reached out to him directly yet, but if I were to email him. I would not say, thank you for your favorable response – I look forward to your favorable response, Tim Ferriss. That shit drives people nuts. Do not assume anything, other than they are busier, more important, more successful than you are, so you have to kind of have your hat in had a little bit.

And a better way to end it would be, I understand you have tremendous demands on your time and if you do not have time to respond no problem. But, if you do, even a sentence would mean a lot to me. That is more likely to get a response because you are demonstrating a degree of empathy and you understand that their inbox is more of a warzone than your inbox.

Ramit Sethi:

Let us dig into this for just a second. So, when I used to email Seth Godin – this is years and years ago. Sometime I would write this beautiful email and he would write me back one line and I would kind of be like, that is pretty rude. In retrospect, knowing what – I get over 1,500 emails a day. Knowing that he even sent me a response, I am actually humbled by how he did because I get lots of emails that I do not reply to.

So, Tim, what you were just talking about is know the power dynamic. When you are emailing someone busier than you, you better meet them where they are. You better work around their schedule.

If someone emails me and they are like, I can meet at this time or that time. I am like, what? So, you have to know your power dynamic. The other thing is, we call this the close the loop technique. Once you meet with someone, so many people just disappear forever. If someone took the time to meet you, they actually want – they are invested in your success. So, one thing I

encourage my students to do is follow up with them two weeks later. Hey, you told me this. I dug in. I discovered you were right and so I took your advice and I just wanted to thank you. I will keep you updated a couple of months from now on how the new job is going. That is how you build a real relationship.

Tim Ferriss:

So, let me add to that because you and I both love the wordsmithing and testing of things like this. So, the first few years out of college, my entire job was to cold call and cold email CEOs and CTOs to try to sell multimillion dollar storage area network system and I had to test a lot of different approaches. And I was nobody. I was as low as you come on the totem pole.

I had a desk in the fire exit. I could not even back out of my desk. I had to like do this weird like half ass cheek role to get out of my desk. It was as low as you get. And I think that a very good response after you have met with someone – or a common mistake is they would be like, hey great to meet up. Cool. Here are my seven follow up questions. Or like, I really enjoyed coffee. Would love to take you out to dinner so I could have my three friends join and they would really benefit from blah, blah. Do not follow up with an immediate additional request.

Follow up, like you said, with – and ideally give it a day or two. Respond and say, thank you so much for the time. Here is what I did. It had this result. It really means a lot to me. Hope all – good luck with the project that you mentioned. All the best. And then do not hump their leg for a while. Give it a little of gestation and the other thing that I would say is do not keep in touch just to keep in touch.

These people are too busy for that and feel free to disagree with me, Ramit, but do not just become a pen pal because you think it is necessary for them to not to forget you. That is going to, in my experience, repel people because you are crowding their inbox with zero substance email. If I have a good experience with you, I will remember you and worst case scenario, if you ping me two years later. The first thing I am going to do, guess what, is take your name and your email and search my inbox to see what previous communication. If you were a dick who followed up 12 times after I told I was on sick and on deadline and could not respond, I am not even going to respond to you. Or I am going to tell my assistant to decline.

On the other hand, if we had a good exchange, I will be like great and then I have done my due diligence, I have checked it out, and I

will respond to you. You do not need to follow up just to keep in touch. And a great example of that is Jack Canfield, co-creator of *Chicken Soup for the Soul*.

I invited him – I volunteered at a group called Silicon Valley Association of Startup Entrepreneurs. It is a mouthful, SVASE. And organized an event, invited him as a speaker, developed a relationship with him that way just by helping to organize and inviting media and so on. And over the years – this was starting in '99, 2000. Over the years every once in a while when I had a very legitimate – and I do mean once every few years, I would send him a philosophical question about a life decision.

I would say, Hi Jack just as a reminder this is me. I know you are super busy. If you cannot respond, no problem. But, I am facing this one life decision. Here it is. I am considering A or B. Here is my thinking on it. If you have any input at all, it would really make a huge difference to me and I am a young guy just trying to figure out what my step is. And then he would respond. And again, very Seth Godin like. Usually in a short way and I did not keep in touch, but I respected his opinion and knew that he was qualified to answer these type of life questions every once in a blue moon.

And then many years later, he was the one who made the introduction to the – a brand new agent who turned out to be my book agent and still is my book agent, who was one of the few people who had the confidence to sell the *Four Hour Work Week* after it was turned down – whatever it was, 27 or 29 times. But, that was not because I stayed in touch for the sake of staying in touch.

Sorry, this is like a very sensitive subject for me because so many people feel like, A, keeping in touch is the right way. So, just crowding my inbox or anyone's inbox is the way to endear yourself to them. It is not. And then secondly, they think that if someone says no that you are going to – that you should ping them another 30 times and I think that you need to recognize when someone is saying no because your pitch is not right, when someone is saying no because the timing is not right, and I think it is very important to learn to discern those things.

If you ping someone, like I have Lyme disease right now and I am on massive antibiotics. I am hugely backlogged because I have been – I took a week away from everything to focus on medical treatment and there are people who just do not hear that. They are like, oh I just need to be persistent. Let me send the same eight

emails and I will give Tim 12 hours to respond, even though his auto responder says that he is on a death bed. And I am going to follow up with like, hey I am just making sure you got my email 12 hours later. Do not do that stuff. It is just sort of a fundamental playbook – anyway I should check out your email scripts because I really feel like ten to 12 points with best practices with this stuff from people who receive thousands and thousands of emails would be really, really helpful.

For those people interested, I am not hiring anybody right now, but if you want to see how I hired someone who started off as one my readers, named Charlie Hone has done a lot of interesting things now. I wrote a post called – or he wrote a post actually called lessons learned – or 12 Lessons Learned Marketing the Four Hour Body, I think it is. If you search anything along those lines it will pop up.

And I explain how he developed – how we developed a relationship and how he approached it. I think that is a pretty good model actually for getting the attention of busy people.

Ramit Sethi: Absolutely.

Tim Ferriss: Cool, good sir, you have been very generous with your time. I do not want to chew up your entire evening. Let me ask one more question and – actually two more questions and then we will put it to bed. The first is following up on the question of books. You are taking 10 percent of future earning of a small group of decently smart folks, 30 years old or 25 does not really matter, and you have to give them a handful of books. You mentioned *The Age of Propaganda*, *Social Animal*. What other books would you give them before you bid them farewell and good luck?

Ramit Sethi: You are coming back to this one, are you not?

Tim Ferriss: I am.

Ramit Sethi: Okay, boy that is a good question. Alright, so we talked about psychology, we talked about copywriting. There is a book – boy, you are putting me on the spot but I am going to tell you the book that is coming to mind for me right now.

Tim Ferriss: Sure.

Ramit Sethi: And it is a book I wish I had written and it is called *Never Eat Alone*. It is by Keith Ferrazzi. It is all about networking the right

way. Meeting the right people and notice that the books that I recommended were not books on corporate strategy or monetization or traffic analytics or whatever. They are books about stuff that never changes. That is how people think, principles, how to help people first rather than ask them for something. And I think all those three books would be amazing over the long term.

Tim Ferriss: Do you have a favorite biography or favorite biographies?

Ramit Sethi: Yes, I do. The favorite one I read – I have been reading it for I think it is probably 20 years now. I reread it every couple years – is the biography of Lee Iacocca.

Tim Ferriss: Really?

Ramit Sethi: Yes, it is outstanding. One of the things I remember and there is so many, is he said when he would be listening to someone he would say, you know I do not want to get persuaded by the sweetness of their voice. So, he would always say write it down.

And there are a lot of people as you grow your business or grow in your career, there is a lot of people who are really verbally persuasive. And the principle there – the point of that is you do not want to be seduced by something in the moment, whether it is buying a house because of how beautiful the weather is or whatever. You want to see it as objectively as possible. So, put it on paper. Take a minute. Most things do not need to be rushed.

There is one other biography, *What They Don't Teach You at Harvard Business School*. That sounds like a really gimmicky book, but it taught me so many amazing things about business by Mark McCormick and I cannot recommend it enough.

Tim Ferriss: Brilliant. Well, in closing, this is the last question. Where can people learn more about the incredible Ramit Sethi and any parting advice for the listeners?

Ramit Sethi: They can find out – set up a special URL actually for people who are listening, so it is iwillteachyoutoberich.com/tim. Again, it is iwillteachyoutoberich.com/tim and put together some cool stuff to give away for people. And parting words are just – look, it is a thrill to talk to your audience. I have been – I have written a couple of things for your site. I think you have some of the most engaged, amazing readers and listeners on the planet. So, it is my pleasure to help as much as I can.

Tim Ferriss: Thanks buddy. Well, it is always fun to hang out. Hopefully, we will be able to share some wine in the not too distant future and the next time you come out to SF give me a ring. I found a fantastic Russian bath so we can continue our longstanding bromance and I appreciate you making the time, man. Thank you very much.

Ramit Sethi: You got it.

Tim Ferriss: Alright, buddy. I will talk to you soon. Bye.