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EPISODE
64

Christian Cotichini
Show Notes at: http://www.aesnation.com/64

John Bowen and Christian Cotichini
AESNATION.COM
Episode #64

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Best of success,

John Bowen
Co-founder, AES Nation

John Bowen: As entrepreneurs, we don't want to just grow our business. We want to grow it exponentially. I have a remarkable individual that's joining us. He's going to share the insights that he has learned over the last 20 years, 20 years of leading startups and high-growth companies, and making a huge difference whether to private, to public, to selling them, to big buyers.

He's had a chance to reinvent himself and create an unbelievable, remarkable business. I want him to share what he is doing, so you can do it in your business as well. I'm John Bowen. We're at AES Nation. Stay tuned.

John: Christian, I am so happy to have you join us here at AES Nation. You are a remarkable individual doing amazing things. We had the chance to meet last year. I'm so happy that you could share them with us today.

Christian Cotichini: Thank you, I'm glad to be here.

John: One of the things, we're both in high-tech centers. I'm down with Silicon Valley, which I know you're down a lot in Europe and Vancouver. We're using technology that doesn't cost anything really, Skype. You are building a new company with partners. That is pretty remarkable, and how you're doing and what you're doing.

I want you to share those because there's a lot of lessons I've learned by spending a lot of money that you're just doing. I want our fellow entrepreneurs who are watching us on the video podcast or listening to us to go out and actually do these things, because it's going to help them accelerate their success.

Before we go to the lessons learned, give me a little bit of background. How did you get to be in this super successful entrepreneur?

Christian: That's a good question with a long answer. Originally, 20 years ago, I just quickly realized like many entrepreneurs that I didn't really like the idea of having a job and a boss. Through the process of elimination, I realized I'm either going to be homeless or an entrepreneur. I preferred the entrepreneur.

I've done four start-ups in over 22 years, three of which went public or had. Now, I'm on my fourth with HeroX. I'm just totally in love with creating businesses. I just really love doing it. I love doing it in disruptive market places. What I learned is that I'm really good at creating a business but not running a business.

My job is to get it from zero to one, and then bring in great, amazing management that can run the business from there.

John: It's interesting how the world has changed. Many of us as entrepreneurs found out we just can't get a job. We have no choice. We have to do this. The thing that I like Christian is that you've learned so much along the way just on how to put a company together and a startup. These are lessons that translate. I don't care whether you're in startup mode, somebody watching us, or more likely, you've got a company that you're doing really well, but you want to grow it exponentially.

The same things are so important. The other part is the recognizing our strengths and weaknesses. What you're good at is really launching and getting that off, and then you surround yourself with some extremely good talent. Why don't we dive into what you're doing now, so we can set the framework, and go over some of the drivers of success in this early stage as you're putting the startup together? What is it that you're doing?

Christian: After I sold my last business to Dell Computers, I went on a sabbatical, and ended up meeting Peter Diamandis, who probably many of your listeners have.

John: If they haven't, they should go ahead on the website. I interviewed Peter. Peter has done a number of webinars. Master Mind Group is where we met together. Very creative guy, but you're not only taking the credit but you're executing too.

Christian: Exactly, so I met him. He learned a little bit about my background. He was like, "I got a project I want to talk to you about." The project he wanted to talk me about was the idea of creating an internet platform spin-off of the XPRIZE Foundation. The XPRIZE foundation is an organization, non-profit organization that uses incentive prizes to solve the world's biggest challenges.

They've got over $60 million of prizes that they've launched. They've made some amazing innovations occurs including opening up space for entrepreneurs. That was done by teams pursuing a prize. What Peter realized was that all of these people who were coming to him wanting to launch prizes. He had to turn them down because they can only do two to three prizes a year.

He wanted to create a platform, and that became HeroX. He asked me to join him as co-founder and CEO. I joined him in the early 2013. We created HeroX. We're basically a platform that lets anybody launch a prize to create a breakthrough to solve any problem that they want to solve. We've got an amazing pipeline of prizes that we've launched this year. We're going to launch about three times more next year.

John: This is one of the areas that when I first met Peter, I was just so blown away with, Christian, that on the XPRIZE, he was sharing the story of how much really ... I forgot the sponsor now of the Space One.

Christian: Ansari, the Ansari XPRIZE

John: Was it a 10 or $20-million prize?

Christian: It was a 10-million-dollar prize.

John: Ten-million-dollar prize, the part that really blew me away, and maybe you could share as we set to stage in the company. One of the things that 10-million-dollar prize, you would think nobody in their right mind would spend over 10 million. That wasn't the case. It was multiple, maybe a little bit.

How many people have competed and how much money was spent to solve this challenge, because no one had privately owned spacecrafts at that time?

Christian: Not only that, but when he announced that prize, it was actually against the law to fly anything into space as a private organization or a private citizen. That prize actually drove legislative change. Twenty-three teams ended up building prototype spaceships. They collectively spent about $120 million chasing after this 10-million-dollar prize.

The winning team was backed by Paul Allen, who just love the idea of creating private spacecrafts. He invests $25 million into the team that ended up winning the prize. When we do our presentations, I say that there's two fundamental human needs to we feed off of. One is competition. You only have to look at public sports to see how wired we are to love competitions.

The other one is cooperation. It's a funny thing that when you can lock those things into a single model, and incentive prizes do that, human beings are just ... They just really want to do it. The data proves that that's true.

John: It does. Now, you've got a company that you guys ... I have launched in your I want to call it soft launch now. You're expanding it. You're testing out. One of the things that I wanted you to share is how private companies can use incentive prizes, this competition, because I think it's not being used anywhere near what it should be is in the private sector.

We do see how many of us would like to be able to marshal that many people trying to solve a challenge and that much in resources for a fraction of the cost. That's pretty exciting. Not only do I want to focus on that, which I think should be interesting for all of us as entrepreneurs and some of us are going to be able to use it right away.

What was really remarkable, I think, about Christian and Peter coming together, is they clean sheet. They could go ahead and start a new company knowing what they know now. While

many of us don't want to go out and start a new company, boy, there's a lot of lessons we can learn to accelerate our success.

Christian, let's start on the big drivers. How can private companies, private individuals ... XPRIZE has really been for public, not for profit. This is a for-profit entity. How can that be leveraged?

Christian: The thing to realize is that before something is a breakthrough, it's a crazy idea. The rate of change in the marketplace is accelerating. Most people have known that, have seen that. It's pretty obvious. The need for innovation is higher than it's ever been. It's really hard to get that kind of innovation to occur inside your company, because most successful organizations become risk-management organizations.

They stay focused on consistency and execution. Crazy ideas is don't make it off the agenda. Yet, crazy ideas are the source of innovation. The problem that many organizations have and many of them are clients and they're talking to them. They are like, "How do we innovate?" The answer is that you go reach out to the crowd.

The beauty of an incentive competition is you only pay for success. You set the guideline. The Ansari XPRIZE grades Apple. It needs $10 million for somebody who gets this reusable spacecraft to 100 kilometers, and test it twice in two weeks. If you do those things, you get the money. If you don't do those things, you don't get anything.

It's an extremely safe way for you to invest in innovation because you only pay for success.

John: It wasn't an overnight success. If I remember correctly, it took few or several years actually for it to come together, didn't it?

Christian: That's right. I think it took seven years from when it was announced to it being awarded.

John: I love this model. Boy, if I can use crowd sourcing, there's crowd. I've talked about this in the past. It's not only inside the company. It's inside our industry. We get so enamored with what we're doing. We don't want to take risks. We don't look outside. Oftentimes, some of the most innovative people are coming from outside, not only outside our company, but outside our industry, and coming up with solutions.

What I love about the internet and technology is it's the great facilitator, enabler. It's able to get this message out. Something about the human race, we are competitive.

Christian: Absolutely! We love it. You're absolutely right. We've got prizes as small as $10,000 and all the way up to $1 million. Right now, and the response that we've gotten from the crowd has been incredible. We're getting hundreds of people signing up to compete to win these prizes. It's amazing. In fact, I'll mention that in the December edition of the Harvard Business Review.

There is an article called "New Power". Basically, it talks about new power being the crowd, and old power being these established organizations like government and corporations. It talks exactly about what we're doing here at HeroX, which is providing a conduit for people to tap into, the seven billion people on this planet, that you can access via the internet to solve your problems.

That's super exciting.

John: I'm going to come back to that. We'll talk about resources. I'm going to come back to that. We'll talk about resources. I'm going to ask you to share how they can get more information about you Christian, and what you guys are doing in the company and so on. What I'd like to do is now take a step back, and really go to ... You're building a great company. You got this clean sheet of paper. What are some of the new things that you're doing that you wouldn't have considered doing when certainly 20 years ago or maybe 10 years ago that our fellow entrepreneurs can leverage today?

Christian: That's a very good question. One of them is when the day we started, basically it was me and one other employee that I inherited from XPRIZE, and in fact our third co-founder, Emily Fowler. Basically, we had a clean slate like you said. One of the things that we decided to do was we were going to go virtual right from the beginning.

This was an insight I had from my third company that we started moving to the virtual world. What I realized was that if you want to recruit within commuting distance of a point on the map, you limit yourself to one-tenth of 1% of the population of the planet. If you're willing to recruit anywhere, you just increase your talent pool by a thousand fold.

That allows you to be very targetive with your hiring, and really chase after people that are in what Dan Sullivan calls their unique ability. We're creating a unique organization right from the get-go. We've got 12 people in eight cities right now. We're completely virtual. That's been a big thing.

When we first launched, a lot of our investors in the venture caps we're talking to were like, "That will never work. It won't work. It's a mistake. You need to be all in the same room. You need to be eating pizza together, but I really have been really excited by the results.

John: Christian as you know, I have a virtual company too. I did it because I didn't know what I wanted to build, so I didn't want to create the structure. I sat down with my venture capital friends. I was telling them the business I was thinking about growing. They go, "Don't do it that way. You got to get together."

I have found so much value out of the virtual side. It's not a cost-savings. I think a lot of people make a mistake and think it's going to save money. It's not. It's to find the best talent. Another additional benefit that I've found is this people love ... You find the best talent. You're aligned with the vision and mission, and someone ... They are so appreciative that they don't have to do the normal corporate-type structures.

Think of as leaders, all of us here, our fellow entrepreneurs who are watching or listening to us. What an opportunity. You can find the most talented in the world. If you want to talk to them regularly in reasonable time zones, they will be so appreciative if they're aligned. Christian, what else have you found?

Christian: Let me rip off the virtual thing a little bit more. The thing that I realized with virtual teams is it lets you find these people that have their batteries included. They're self-driven. They're self-motivated. They're extremely ambitious. They're attracted to an organization that provides unlimited potential and freedom, and their ability to basically almost be a free agent or being a member of a tribe.

That free agent and member of a tribe theme resonates unbelievably with the millennial generation, which is of highly misunderstood generation by older people.

John: Are you looking at me when you say that?

I'm 59. I'm pretty close to the average age of successful entrepreneurs. Our business is over five million. As a matter fact, let's talk about a little bit more, because one of the things we talked about diversity on our boards, on our senior teams. We also think about bringing up youngsters, generation X and Y and so on up.

They're not as motivated on average with money, and using money to buy behavior just doesn't seem to work like it did in the old days. We've got to create an environment for them that resonates. How do you seek companies doing that most successfully?

Christian: You're actually right. We've created a set of core values. We're looking for people that are compatible with that. We're looking for people who want ... We're an organization that's driven by want. The first thing I really want to understand from somebody who may work with us is what do they want. What do they want in their life? That's got to be aligned, because I'm not interested in working with people that are here paycheck.

I mentioned looking for people that see their future success closely aligned to what we're doing here at HeroX. That may only be for a couple of cores or a couple of years, or maybe for a lot longer. That alignment and that want has to be there. We always talk about that.

I always talk to people that, "If you're not loving what you're doing here at HeroX, then you need to go. You just told me; you're not loving it. We'll help you find what you love." We're an organization that is committed to people staying in a unique ability and doing what they love.

I think that's essential to any virtual organization. Let me just say a quick shout out to what an office is. An office is where people hide. An office is where they sit in a cubicle, and they hide. I'm not a believer and the fact that because I can supervise their physical presence, but that in any way impacts their performance.

I've seen employees that can spend a whole day at work, and in fact, I work with people that have created negative value for the organization. Those employees can send all those long emails. They're multiple paragraphs long, and starts creating a lot of other long emails. That's negative value.

John: I totally agree. I love how you've done the core value and aligned that, because it is. Really, one of the things when we interview people, we don't ask, "What do you want when you grow up," type thing. Make sure they're aligned. This becomes easier to do. You don't have to be a virtual company. You can be a brick and mortar company, but you're going to have virtual employees.

You get virtual contractors. Once you start making the world, the seven billion people out there party your talent pool, and that you can be a lot more selective. I've always find the value to … When you have the traditional employees, I always felt like I had to. I've had up to 400 employees. I had to find work for them.

I'm writing a big check every month, the big nod. We got to find things. What I love about this virtual freelance is they're creating a bigger pie. They're aligned. They want to create a bigger pie. They know they're going to get a fair and equitable slice out of this whole thing. That makes a huge difference.

Christian: Totally, we break our resources into three categories. The first category is what we call the core team. That's the team where they've got stock option, competition plans. They're traditionally employed for the most part. They're part of our core team. They're the entrepreneurial engine that's driving everything. We want to keep that team small or tiny as possible.

Next, we've got the operational team. That's where we're really relying on freelancers and contractors that we're going to build a relatively long-term relationship with. Maybe that's quarter of a quarter, or maybe that's annually. That's the operational team. Then we've got the outer team. The outer team is where we're really leveraging cloud sourcing, outsourcing, and alternative methods of employment.

We're getting a lot of work down there. The whole idea is to create an organization with the core team setting strategy, and they're driving execution based on key performance indicators. They're driving that out to the operational team. The operational team is doing the operating systems. One of the things we say at HeroX is, "We don't manage people. We manage systems."

I think this is a Michael Gerber quote. If there's a frustration in the business, it's a missing system. We managed everything through systems. What we like to say is if it's not a system and it's not measured, it didn't happen. We can't get credit for it. Salesman can't come to me, "Look! I closed this amazing deal." I'm like, "How did the system perform? How did the measurements measure?"

That's what we're interested in because that's what's scalable, and that's what's outsourceable.

John: We want repeatable experiences these days. I have a similar structure. I haven't said it as eloquently as you Christian. Let me go and take it. Let's dive a little deeper, because one of the key divers for both of our success is our ability to outsource. So many entrepreneurs who have been doing it a while, this is a different structure if you will.

How do they go about outsourcing? As entrepreneurs, everybody thinks we're high-risk takers. We're not. We want to minimize risks as much as possible, and then having a whole bunch of new people we don't know really that we can't control and all those stuff. How do you make that work?

Christian: That's a great question. Basically, we follow ... I don't know if you've interviewed Ari Meisel.

John: Ari is actually a very good friend. You can Google him and see he wrote a great book, I think, the Art of Doing ... Less Doing is his blog.

Christian: Less Doing, More Living, I read that book. I literally was like, "We've been doing this." Don't get me wrong. It's a great book, and there's lots of great insight. I learned a lot from it. His book is required reading for all of our staff, but to me his model of optimized automate outsource is what I've been doing as an entrepreneur for quite a while.

It's cored to the model of HeroX. The basic idea is the first step is you have to create a system. It can't be in your head. You have to create a team that gets good at getting stuff out of their head and following a system even if the system is just the checklist. Every meeting we run, every client event, everything, we have a wiki, where we have our systems, and their documented.

Every time that system is executed, we put a comment in the bottom of the wiki. Every page, there's a comment section. We put the top three improvements that we could make. The way we do that is we run what we call a continuum improvement process, where ... Every client presentation, there's a 15-minute debrief after, where the team that did the presentation goes, "What are the three improvements that we can make?"

Maybe we didn't communicate very well, or maybe the agenda wasn't followed, or maybe there's missing agenda. Then we capture those. We just rinse, lather, repeat. What I've learned is that if you can get a team that's got the courage to do that, and even if they start with a really crappy, let's say a client presentation. Even if they start with a crappy planning presentation, it only takes a remarkably few number of iterations to go from a crappy client presentation to an amazing client presentation by just going out and presenting.

You could do five or six cycles with clients or prospects. As long as you continue the improvement, all you need is three improvements per iteration. I guarantee you, after five or six iterations, what you do will start looking magical to your clients.

John: The power of market feedback is just amazing. In many cases, we all choose to ignore it. By using the power of our internal teams, I'm using your vernacular, the core team, we can quickly get that. I think you're doing this too is I love reaching the outside, so my outsource people to really improve their experts at one real net. I don't have the use for them, that I could fully employ them, or even have them a member of our core team or operational team.

They got some unique insights. Many of the things Ari talks about, Ari Meisel, they're just so inexpensive to let them run with it type thing. Is that where you're finding, Christian?

Christian: Absolutely! You're absolutely right. There's two pieces there. First off, as I said before, we systemize. Then once we've got it working, then we can outsource it, because then you can give an outsourcer, "Here is what needs to get done." When we do a research for our project, we can outsource the resource because we've got a checklist, 13-step checklist that a researcher can follow.

Now, we just need somebody who is really good at researching. We give them the checklist and the template, and then they can do it. The second piece that you're alluding to is also

really important, which is reaching out to the experts and getting them to give you the system. Rather than figuring it out yourself, you get the systems from them, because they're in their unique ability.

To them, it's easy and simple, and pure. If you've got a culture of systemization, then you can create that capability as a cookie cutter that you can reuse in your organization over and over again even if the specific freelancer that you're using shifts to another.

John: This is great. This is really good. You showed me one thing as we're just getting prepared for the call. It was on the core values, and you had ... Could you articulate your four HeroX? It's one thing when we talk about core values and our vision and going through and identifying the team players that we're going to bring on board, who are aligned or joined together.

You've actually done more than I have. I want to see it again. I want all of the viewers and listeners, if you are a listener, obviously you're not going to see it, but you can go to AESNation.com. Christian has agreed to make it available. All the show notes, everything we talked about, transcripts are there as well.

Christian, why don't you walk us through what that is and what you've done?

Christian: Sure. Let me set the stage real quick about it. Like I said, I've been an entrepreneur doing start-ups for 22 years. Basically, I've learned that you need to manage people based on a set of core values, because that gives them the ability to make decisions on their own that are consistent with the management and leadership goals and vision of the company.

If people are aligned in core values, you can rely on them to make the right decisions without having to supervise them and manage them. I really like the idea of a self-managing organization as Dan Sullivan wants to call it. I think the anchor or the foundation for that is core values.

The way we run HeroX was the core values were something we needed to discover, because the core values really need to be aligned with the value you're creating for your customers. If you have a core value that's contrary to the value you're creating for customers, then it's the wrong core value for your organization.
It needs to be discovered. It needs to be discovered by your actions and your behavior and your customer delightful events. We created this core value. We've been doing this for five quarters. You could see that fairly well.

John: We can see that fairly well.

Christian: It's five values with five expressions of those values. It's 25 expressions in total five by five. The way we built that was every quarter … We've done this for six quarters now since we started. We reboot the company. Every quarter, we do our standard quarterly offsite type of session. What we do is we reboot.

Basically, everything that we've done in the past gets thrown out. All the titles get thrown out. Strategies get thrown out. Everything is thrown out.

John: Zero budgeting, you got to start all over again.

Christian: Exactly. We just look at, "What did we accomplish? What results did we actually produce in reality last quarter?" In other words, what's our starting point? What have we learned? What are we proud of? We feed that into our core values, and then we build the whole strategy for that quarter. Then we reboot the next quarter.

It's an amazing process because it frees people's minds to really look fresh and clean and new at how we're going to move the company forward for that next quarter. It's a really great habit to get into. Now out of that, every quarter, we look at core values. What we're looking at is not the words that people say, but it's the actions that we've seen, that we respect, and we like.

It's what we were being when we produce value and results. By the way, all of these core values are now something that I look at after every meeting. Every meeting, I have ... We're a virtual company so it's on Google Hangout. I'm looking for our core value sharing apps.

For example one of our core values is, "Be happy and have fun!" We want to see that people are having fun in meetings, and that we're creating fun with clients. It's a core to our product because we're creating contests. we're creating competitions. We're not paying people to do it. If it's not fun...

John: If it's boring and dull, it ain't going to work I'm pretty sure.

Christian: It ain't going to work. It's actually right. That's there. Another one is, "Courage precedes growth." We want to see courage showed, because we're taking on some pretty courageous things. It takes courage to sign up for a challenge, and try to win a prize. You need courage to do that.

John: You need courage when you don't know what the solution is, and you go into it anyway. You're starting on that journey. That's a big deal.

Christian: Exactly! I really honestly believe, and I think this is critical for a virtual team, that you're aligned on values, and that your people are really living those values, because then like you said, there are batteries installed. You can just rely on them and focus on strategy, and know that things are being done right.

I also think it's equally true and important for a traditional organization. Again, I don't think that you want to have people that are just showing off for pay checks. You want people who are really aligned with you on the dream and vision.

John: I think this is even more important. A lot of these happens because of virtual, but you can now ... It's one the reasons why I wanted to have you on the podcast, Christian, is because I think these are applicable across all companies. It's so easy.

It's easier to ignore them when you're not a virtual company. I don't think you have a choice as a virtual company. If you have no alignment, you're looking for your self-managed company, but nobody's aligned in that direction. It's going to be ugly. In brick and mortar, you can.

Now, let me go to a segment here. Let's go to this segment Christian. Christian, what's the book that you want to share with your fellow entrepreneurs?

Christian: Sure, I'll tell you one of the most important ones I've actually got right here is just "Multipliers" by Liz Wiseman and Greg Mckeown. This is a book that's required reading for anybody on my team that's managing people. It really creates a framework for how to be in the book's terms a multiplier versus a diminisher.

John: I will go ahead and download that. I'm embarrassed. I did not even heard that book, but I love the title "How the Best leaders Make even Smarter" ... Let me just put it up on the screen on Amazon. You can see it's got great reviews and everything else. Let's go to the next segment. I know you travel a bit because you and I have not seen each other in an office since neither of us have offices.

We're different meetings. The next one is the application of the day. On your smartphone, what would you want to share with your fellow entrepreneurs?
Christian: That's easy. At HeroX, we ban email. No email is allowed to be used between team members if you can believe that. I know.

John: I tell you. I'm listening. We didn't talk about this in the pre-interview, so I don't know what this is. We use a bunch of tools, but I have not banned email. I do get a lot of email from my team members, so I'm listening because you already have.

Christian: We've banned email. The app that we use is called Slack, S-L-A-C-K. Basically, it's a platform that creates almost your own Twitter space with a whole bunch of extra features, like creating channels and attachments. It works on your phone, on your computer. It's completely replaced email for us, and it has transformed out ability to collaborate and be hyper effective.

I don't know if you've noticed this but email is like the cancer of organizations.

John: I'm going to put it up on the screen here. It's Slack, S-L-A-C-K, .com as Christian said. Tell me what's different about this.

Christian: Basically, it's two-way communication. The emphasis is on open channels. For example, we have a product channel. If you need to talk to somebody about product, you talk to them in the product channel. That creates an environment where everybody else gets to see what's going on. You create a transparent culture in a transparent environment.

Also, all the messages are searchable. I can go and search for a client name, and find out that one of my client support persons was talking to our product guys about a feature. I know that because it's all searchable. It really just transforms the way that we collaborate. It's open. It's real time. It's two-way versus email, which is none of these things.

John: I definitely will take a look at that, Christian. Thank you. Let me go to the next segment. This is resources. At HeroX, I promised earlier that I would bring it back here. I'm sure some of the viewers and listeners want to know how they can get involved. You and I were talking about them. You're giving me some coaching on how I can use prizes as well, because I love this.

We want to find the right solution. How can our viewers and listeners find those?

Christian: It's real simple. First off, just come to HeroX.com, and if you want to talk to us...

John: I just pulled it up on the screen. It's going through the animation showing Peter and image X challenge and all this. Where are they going on this to get started?

Christian: You can create your challenge. You can click on "create a challenge". You can go there and create a challenge. There's a link there that you can ask for help. You could just reach out to me. See you at herox.com. I'd love to chat with any entrepreneur about the problems that they're facing.

Basically, what we do ... We're in soft launch mode right now, so we're hands-on with every one of our clients is we're basically go and say, "Tell me about the problems that your

company is facing. If you had a magic wand and you could transform a part of your business, and it would fundamentally change the dynamics of your business, let's talk about those."

The question is, "Do you think that somebody out there could solve your problem?" A lot of entrepreneurs are like, "My team does not know how to solve this problem. I don't know how to solve this problem, but I'm pretty sure somebody out there knows how to solve this problem."

The next question I'd ask them is if somebody solved that problem to you in a measured way, and you could define those metrics, what would that be worth to you? Many entrepreneurs will say, "Man, that would be worth a million dollars to me." I said, "Would you be willing to put up 50,000-dollar-prize or 100,000-dollar-prize if I could guarantee you the guidelines, the criteria that would be worth a million dollars to you?"

They usually say, "Yeah."

John: I'm saying yeah. I'm up for it, Christian.

Christian: It's really that simple. That's the Math. That's how it works. Like I said, we've been reaching out. We've got an amazing pipeline of prizes we're going to be launching early next year when we hard launch. We've done a half dozen beta test prizes, and they've all gone extremely well.

One of our first clients did a 50,000-dollar-prize for a new software feature. That was so great. They're now doing an annual 50,000-dollar-prize targeted at innovation around the product. This stuff really works. It's really amazing because you only pay for the results.

John: This is great. Christian, let me walk through our fellow entrepreneurs. I look at my notes. I got a whole bunch of notes. I've known Christian for a while now. We've had a number of conversation. I learn every single time. Number one, let me just go back to the reason that Christian and Peter started HeroX is incentives were competitive by nature, certainly entrepreneurs.
There are seven billion people. You can't talk to all of them at once. You can have them, those who are interested. They've created a platform. You can do it on your own. You can use air platforms. How are we going to do it?

Really consider incentive prizes, two things differently. To get this exponential growth, be even better at what you're doing. You need help. There's somebody out there that can give you that one element you're looking for. Second thing is virtual team. I can't imagine a much more compelling conversation than Christian shared with us on virtual teams.

Talent all over the world, he segmented into the different team. I'm looking core, operation, and outer team. To that, I'd put it in number two. Number one, incentive prizes, competition. Number two is virtual teams. The number three is outsourcing. There are just so many people out there competing for those one thing that you need. They're really good at it.

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