JAMES**SCHRAMKO**

Digital Investing Trends with Matt and Liz Raad

What is digital real estate investing? The Raads discuss opportunities and trends around buying and selling websites, which they both do and teach.

Matt and Liz Raad

James: James Schramko here. This is episode 919. We're talking about digital website investing. And of course, I've brought along my good friends Matt and Liz Raad for that. Welcome back.

Matt: Good day, James.

Liz: Thanks, James. Good to see you.

James: We've got so much great feedback on our last discussion, we had a previous episode where we were talking about, Is our business worth more than we think? I love your approach to investing because you've got that real investing background. And also, you can tell the difference between kangaroos. Very interesting. Yeah.

But one thing is, we've kept close over these years, and a lot of my audience really love this online thing. And I know that through me, they found you in some cases, come on board some of your digital investing type activities, but they just love it. I get these SMS messages saying, Thanks for the introduction to Matt and Liz. It was the best training I've done or it's changed my life.

You remember there was one fellow who was sort of in between things, and he dabbled in a bit of real estate investment. And he got my name from a friend of mine, and I sent him over to you because I thought, oh this guy would be perfect.

So today, I really want to cover what sort of activities you've been up to, with your students and with your own investing, because I know you're always having a look into the marketplace, you're an active trader type, you've got great sort of R&D and researching and filtering metrics. So I'm sure you've probably seen some trends come and go. And I want to know what's sort of hot.

So I've got a couple of questions I sort of put together for you. And we'll see if we can get in there. But first off, let's just have a little recap about your background in mergers and acquisitions, because I think that's important. We always hear that investment disclaimer, and I'll make one now, like this is just a general discussion, right? Not giving specific advice.

But as my grandfather always said, We should definitely pay attention to who we're getting advice from. And so I'm curious, like, what sort of elements of your background make your opinion worthwhile when it comes to this stuff?

Why Matt and Liz are worth listening to

Matt: I think one of the big things is now we've been in full time investors online, in online businesses for the last decade. And you know, the sort of people that we used to hang out with and where we started, and we basically have been buying and selling websites for, like, the last decade.

And in addition to that, what that means is we see lots and lots of deals. Like, every year, I was figuring it out with Liz just the other day, like, I would probably do due diligence on over 1000 websites a year. I know that sounds extreme, but because one of the other things we do, of course, is we coach people, and train people, and often help people do due diligence.

So pretty much every week, I am going over, it sounds a little bit nerdy, you know, Google Analytics, looking at websites, and I get to see what works, what doesn't work, both of us do. And we discuss it in our family, our kids are growing up hearing all this stuff. And bottom line is, I guess, over the last decade, we've analyzed, you know, thousands upon thousands of websites, we see what works from websites that make 50 bucks a month up to websites that make millions of dollars a month and sell out for $20 million, $50 million.

So that's in the short term. But our actual background before that, as you said, is mergers and acquisitions, buying and selling traditional bricks and mortar businesses up to around 20 mil. And I guess through that, we got to work with a lot of high net worth, private equity. And we still do that today as well. Did you want to add anything there?

Liz: So yeah, what that just means, we get a lot of insights. And I think we come from a background, like a bigger picture background. So I always find that valuable to have those insights from someone who sees a lot of deals, and has also been in that range of industries from small to the very large.

James: Yeah, I know what you're talking about there. I just had a conversation prior to our call with a student who's in a membership, and what I was able to help them with is like, all the things I've seen, the different ways you can make the offer, the different ways to keep members, and the different ways you can have that frontline content continually topping up the membership.

And it's like, when you get exposed to things that work, and you've got people who come to you for that, they can get an answer really quickly. So we're going to put a link up to your eBusiness Institute as well, where people can find out more about Matt and Liz.

Liz: And there's one thing too, and that's what we love about working with you, James. Your insights are just awesome, because exactly what you just said, you've got that broad range of experience from many, many different sites.

Matt: And I will mention at this point, James, that anyone listening, James has helped us out over the years, and we were in James's SilverCircle and it helped us make that transition to fully being online now. We used to work more in the business, because we're so passionate about what we do. But James said, Hey, you guys can work a bit less and step back a bit, and you've got kids and everything.

And we've always been driven by lifestyle design, and we're very passionate about it ever since we started together in business. We, just so everyone knows, we've worked 24/7 together for the last - what? Twenty-five years in business now. So we're pretty good on that side.

Liz: We're still sitting next to each other.

Matt: But James, James, big thanks to you, you know, you know what, you helped us with transitioning in the last, what was it, five years ago, and transitioning into this. So a big thank you there. That's helped us kind of put the icing on the cake of what we've achieved in our life.

James: Wow, well, you know, I do smile when I see your emails come through each week, they're just so good. And you've got so many success stories, which is really, the greatest possible thing to share. And you must be so excited about the results your students are getting, and so, I can relate to that.

A transition made ahead of the market

I saw a Naval quote that was something along the lines of, the great benefit of being on stage is that you get fame, and the great downside of fame is that you have to be on stage. And I remember that, that was really the big transition. And this sort of ties into my question now, because you made that move before the rest of the market. Like other people who'd come to me before, you said, Listen, we want to supplement our in-person stuff with online stuff.

And we were able to make that transition for you. And you did all the things that you were required to do, and you made it successful. And then of course, along comes a pandemic. And you and I have talked about this, you know, regular people have started to discover what a Zoom is, I know you've been actively investing in technology companies behind the scenes.

You would have seen a shift in the way that people view websites, from your traditional audience in the past, may have also started to come online, which is what I've seen, and it's probably the competition and the game maybe got a little more serious in the investing side of things. So I'd love you to speak to that and what sort of shifts you've seen, because now we're recording this in 2022, and we're a couple of years down the track now from the start of the big shift.

They're calling this like, the resignation age, people don't want to go back to work, they want other opportunities, they want to be involved, they're clearly the online. You know, I heard on the radio today, if you can work from home, work from home. This is a thing, it must have affected what you do.

Liz: Oh, definitely.

Matt: Massively.

Liz: Massively, and the whole marketplace, too.

Matt: So there's two big things that we have seen in the last two years. And one of them is something that we've talked about for a long time, and it is the big end of the market where we've got the big buyers, the high net worth, and the very high net worth and the ultra-high net worth, are now fully getting into online businesses.

And we can talk about that as that’s our passion, because we know these sorts of people and we help them and advise them. But then as you just said, the other really interesting part of the market that has just absolutely boomed is everyday people who are particularly, we've noticed, with professionals, wanting to quit their jobs, and work from home.

That's pretty much who we cater for at eBusiness Institute now, professionals who want to quit their jobs and who have traditionally been real estate investors. So it's kind of like this convergence of, hang on a minute, do we keep investing in real estate, plus, now I want to quit my job. You know, that stat? Like you just said in America now, what's the number? There's 40 percent of people don't want to go back to work, ever.

James: The great resignation. I've seen even stats up to as high as 70 percent. And this is close to home for me, because one of the big reasons I moved from New South Wales to Queensland, which is where you live as well, so thanks for being so welcoming, is apart from seeing your lifestyle and how good it is, was that it started getting really crowded in my local beaches in my lineup.

And one of the guys I surf with, Lloyd, worked in a job for a bank, doing big software installations, like he was in the tech side of things, but he wasn't enjoying it that much. And then he used to keep talking to me in the surf about, oh, you know, I've got to work again tomorrow. And I'm like, Well, why do you do this? And he's like, What else would I do? I'm like, Oh my God, there's a whole world out there, like what I do.

And we started a business together, and he's killing it. He's got this thing called VirtualDOO, but he's like my absolute validation that you can go from that corporate to your own online business, whether it's freelancing or setting up an e-commerce store, or doing this virtual real estate publishing type site, which I'm sure you guys are really into.

It's fascinating to see this is real, it's happening. And there was no way he's going back to a job, you know? And there's a lot of other people like him who are yet to discover how. They want the pathway.

Family history and the present day

Liz: I think that's something we really - it's really interesting, actually, because we were looking back at this slight deviation, but we were looking at our family history. And both of us have come from, not poverty, but like, people who could never rise up. It's just really interesting.

Matt: We're talking hundreds of years ago.

Liz: Hundreds of years, like my mom's taking it back to 1700. And everybody is, you know, like, a manual laborer or something like, and obviously, they had the brain and the smarts, no doubt, to be able to do more, but they never could. And we've got to this time in history, where suddenly, boom, all these people who were held down and had to do awful jobs, and just had to survive, can now, if you're willing to step up and actually learn some stuff, you can, exactly what you just said, you can create whatever it is you want to do in your life.

And you can, there's so many opportunities. And that's what we're seeing from our point of view as well, people just completely changing the direction of their lives and creating the life that they want to do by getting into this online world. And I think that's what's happening. It's interesting. Like you said, there's this validation now, because the big corporates are now investing a huge amount of money, and very high net worths.

And everybody's getting in here and realizing, wow, this is amazing. There's that validation now, I think, for the smaller players as well to say, oh, okay, this is a real thing, I can actually do this. And this is something I can do for life.

James: It's interesting, studying the family history. You know, my great grandfather, 100 years ago, was doing something very similar to me. He was traveling around the world, buying and selling gold and silver mines, he'd buy land in Russia and sell it in America, and he visited all these different countries and established markets. And he journaled it all, like a blogger.

And he was very wealthy, he was one of the founding members of the Sydney Stock Exchange. But then, through his investments and his subsequent passing away, it all got eroded through inflation and stuff. And by the time it got handed out to like, 60 or 70 people in the family, it went to sort of nothing.

So then I had the opposite thing was where my parents got stuck in that recession. And I wrote about this in my book. So I basically had to start from scratch at that sort of age of, I think it was about 19 or 20, out there in a debt collection job. And for me, though, the Internet was the vehicle. And I was just watching an episode of Undercover Billionaire. And it was, I think, this one was filmed in 2019. But it was quite a struggle for this guy to set up a real business.

He had to buy and sell cars, buy and sell a property. And then he had to have a physical, in-person, with lots of people, business. And he had them all working for free for 90 days, obviously, under the promise of being in a documentary. So it's probably an unrealistic situation. But it's just so hard compared to what we do.

How much of a chance do the little guys stand?

So we've established that it is a good time for online digital, and it is easy for us to access. And that's a great opportunity. But with these big players coming in, can the little guys still have an angle in there? Can we have a dog in the fight? Or are we going to be smothered?

Matt: Well, that opens up multiple opportunities, because first, you've got to look at why these big guys are coming in. But also just the volume of transactions down as you and Liz both said, it's validated the marketplace. These are real assets. We're not just talking, I know people talking about virtual well, but they're virtual, but they make a lot of money. And they're passive.

And so, we're buying for the same reasons. And our clients are buying these websites or building websites. And that's a big new trend, too. We think that's really important. But they're building these websites for exactly the same reasons that the big guys are. And one thing you might want to be thinking about is the safety in the marketplace.

One of the things we've been taught, so we're also full-time investors, we invest heavily into shares, real estate, not so much real estate, that's not our thing. And we've always bought and sold businesses, that's been our main drive. But one of the things that we all know in that game when you're buying and selling shares, and you're serious about it, is that if you're worried about a market correction or a bear market, one of the best ways, and we dollar cost average all that sort of stuff, but one of the best ways you can protect yourself is through diversification.

So we don't want all our shares, or we don't want all our portfolio to be in shares or all to be in website or all to be in crypto. And what everyone's realizing in these times, it's really tricky at the moment. Are we at the top of the market? Now the market last year ran 20 to 30 percent. We're definitely not giving financial advice.

A lot of people are saying, you know, we're overextended a bit. And look at crypto, the volatility there. Crypto's a great investment, but follows shares. So where's the safety? What can we do? Plus, we've got this really weird thing in the economy at the moment, you just mentioned it earlier, James, in your family, due to inflation, people got to realize that inflation is real.

James: Well, it's like the cost of doing nothing is probably the biggest risk of all, like that's what a financial planner told me. He said, James, you've got this in your superannuation, which is, you know, 401(k) for our American friends, I have a lot of cash sitting there doing not much, like, interest rates. He said, That's your biggest risk of all, is that you're just going to leave it there. You've got to be exposed to the market.

But then it's like, which market, and in that market, which part of it? So like, what I'm hearing is probably there could be some kind of website stuff. And by the way, just while I think of it, I've had some of my domains have been selling lately, I've noticed, because I've had quite a few domains, I had 2000 domains at one point.

And I remember one year at tax time, I bought about $850,000 worth of domains. I'm still selling a couple of them here and there that were listed on a domain sales place, just the domain, not even a website. But I've noticed a ripple of activity there. And like, for me, that's like the first spider sensing. There's something going on.

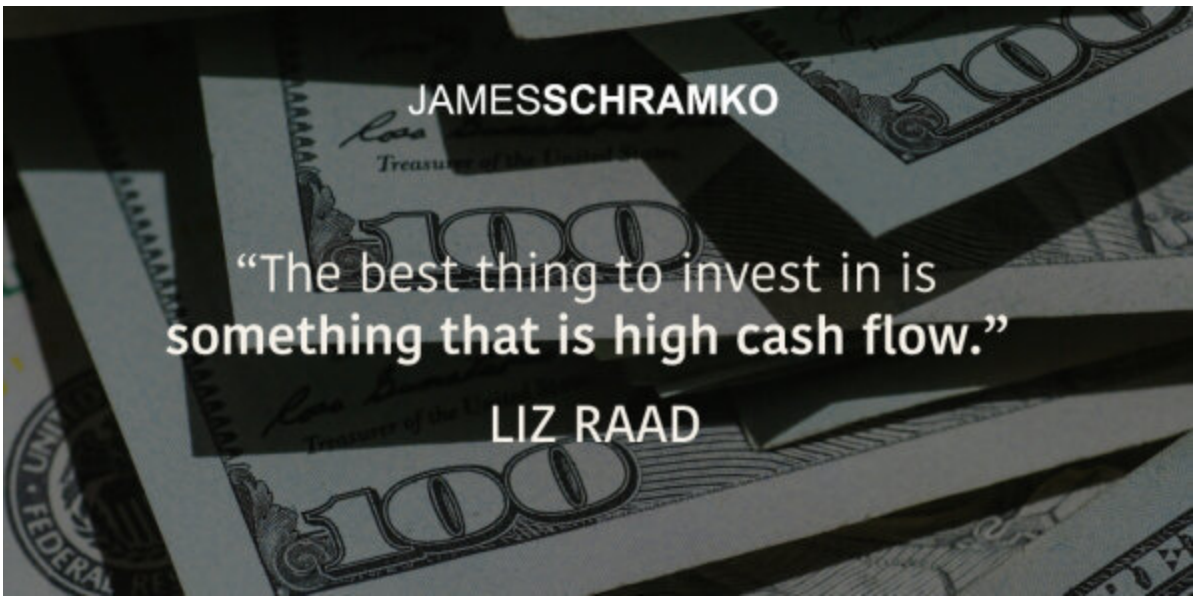
People are finding value in these domains. And they're off to develop. And these are like, couple of $1,000 domains. They're not like $100 domains. So there's signs of activity.

What are high net worth people buying?

But I'm really curious, what are your friends buying?

Matt: Well, that's the thing. And that's what everyone, well, look. So we, as you know, we hang out with a lot of high net worth and very high net worth business people. And they're all asking exactly the same map, where are you putting your money, what are we doing? And so they're all now interested in doing website acquisitions for exactly these reasons. Because I believe, because they're looking at it for diversification.

Liz: Let's go back one step though, too, in terms of cash flow, because I think one of the major reasons - sorry, I didn't know if you were going to mention that - because what are they investing in, they need to get a return. And if you've got a real estate market that it's at its peak, and you're not getting very good returns, if you've got shares that are at peak and may go down, you're not getting good returns, so you need to put your money somewhere.



And the best thing to invest in is something that is high cash flow. And even better is if you have some control over the returns. So that's why we're finding such success in the online space, because not only can we invest in a website, and we can do that completely passively there, we can talk about there's a lot of funds now springing up where you can just put money in, and they run the website and you just get the returns.

James: I've seen a few of those. Some of my wealthiest clients

Liz: Definitely increasing now. But if you want to be an active investor, you can generate a lot of very high return and you have control of the levers. That's, I think, something, for Matt and I, is something that we really like to have. We want to have some of our investments where we control the levers, and we can do stuff to increase returns even more.

James: You're speaking my language. OwnTheRacecourse.

Liz: Yeah, yeah.

James: One of the big lessons I learned from Salena, who comes on and talks about wealth creation, was that in Australia, in particular, people are obsessed, firstly, with property. Secondly, with capital growth, and she said, like, wealth is not about your net worth. It's about your passive income or the income you have versus your living costs. That's real wealth.

And you're speaking to that head on. Finding asset classes that produce an income is what your wealthy people, like, the hyper wealthy people, are looking for return, not just capital growth. That's a really big indicator there.

What you really want to avoid...

Matt: And I think one of the great examples is, you think of Warren Buffett, you know, he's got that famous, he talks about when the tide goes out, we're going to see who's standing naked. Well, we may or may not be at that point. We don't know. But his point there is, you don't want to be the one standing naked, which means no debt.

Liz: Which means debt, you mean, you're high in debts.

Matt: Yeah, which means debts. So the ideal situation is, and this is why we've always loved websites is, we've always found, because our background is buying some bricks and mortar businesses where we did use high debt because we own manufacturing businesses and wholesale import, so we avoid any online businesses where you have to own stock. And that's our choice for that reason.

And for what we learned of Warren Buffett is, we're interested in, it's called FCF, free cash flow, and we want those growing very high, free cash flows with no debt, so that then, these websites become compounding machines. And I'll give you two awesome examples, which you can see on our website.

An example of smart website investment

But one of our students bought a website for 2000. Now this is what we teach, a content site for two grand. And okay, she's had it for three, it's taken, maybe now, four years to get to this. But wait till you hear the results here, James, just last year, this is a bog standard affiliate site, like we teach, just started out as an Amazon affiliate site, it started, she got it, it was making $200 a month.

We renovated it, helped her renovate it, got up to making, say, two grand a month, and everyone in our community knows this website that our student who I'm talking about, she speaks at our events, it's up to five grand a month last year, just before Christmas, it hits $17,000 a month. That's profit, because she's just compounding it. It's a compounding machine.

Once you've got the system, she just keeps compounding. Basically, it's good content. Every single cent that she used to make off that, she puts back in the content. And over Christmas, it will have hit, once we do the figures, it'll look like it'll hit around 30 grand profit. And the other one is per month, so that's an income.

So this is why one of the things we're excited about, a lot of our friends and a lot of the big buyers out there realize, you think about it, they've got unlimited funds to pump into these content sites. And I think what you're going to see this year and moving forward is content sites will be the new gold rush online.

Why ecommerce might not be the best model

Liz: So it's been a big rush on e-commerce. I think everyone understands e-commerce, they think, oh yeah, get a product, sell it, it feels real. And I'm actually surprised by a lot of people who, and I think they feel some sort of security by having a product, like a physical product. But actually there's a lot of risk tied up in that.

James: I've never gone down the e-commerce product. I don't want a garage full of stuff or stock or transport it. Obviously, they've been hammered with the cost of logistics, shipping containers have gone up tenfold.

Liz: Yeah, oh we know a couple of people, I know one person who's, she's probably lost about $200,000 or $300,000 because of doing that.

James: I think part of it, and this is part of the industry we're in, is when people find an offer that's easy to sell or whatever, they go out and they push it pretty hard. So I think partly, the new-to-market people, we'll call it business opportunity type clients, are going to go where the strong market is pushed as well.

I've seen some trends in the market, I don't know your position on this, but I'm just going to take a stab at it. I saw one of the biggest things that sold out lately was some crypto bot thing, right? And I get really concerned when I see the marketers like, they go and ruin everything, right? And there was one line in the offer that scared the crap out of me, it's like, that it cannot lose money.

I mean, you can't, you can't say that, and it can't do that. And there's plenty of case studies, you look at Wikipedia about trading, whatever, they work until they don't work. And then they’re catastrophic. Like in one case, it even crunched the entire market, you probably were in it back then when a robot took down the entire global financial system, 2000 or something.

There’s work, you can’t get around that

So I think, you know, it's really appealing to hear about an offer where you can buy into training and learn how to do this, but we have to come into this knowing that we've still got to do some work. And you said it before, and I don't want to lightly gloss over this, you look at 1000 websites a year, and your capacity is obviously, you're helping your students, I imagine you're doing a lot of this for other people to make sure that they're doing well, you could go out and spend all of your money on the wrong websites, and make no money whatsoever.

That's a totally possible outcome if you're uneducated, or you don't really know what you're doing, because you're out there competing with some of these ultra-wealthy people who are buying. And also, as you mentioned, there are groups now who are rolling up or investing in portfolios and they have their own due diligence.

So that means that people might be out there hunting for the scraps if they're not careful. I think that's where you come into the picture, is you're like, okay, if you're going to do this, you want to do it right.

Liz: Yeah, here's what you need to do.

Matt: I'll make a comment there. It's a really good point. Our best students, like Lisa, all our best students have done, we have a saying in our community that we got from Arnie, Arnold Schwarzenegger. We've lived by this, it’s, reps, reps, reps guys, don't just rush out there and buy the first website you see. That will be dumb.

Get the training, but then also, you've got to practice. So coming right back to your first question, which I know a lot of people probably want to know, can a small player do it? Absolutely. This is where we start out small, practice on small little websites, plus, get your reps in by building websites.

And we've seen across the board, our most successful students are the ones that just do the reps, they practice building websites, they show up, they learn how to post content. Yes, it takes longer at first when you're learning all this stuff. Of course it does, you're not going to become a top paid brain surgeon within six months of doing a course, it takes some time and effort.

But if you do the reps, then you've got a skill for life. And that's what we do at eBusiness Institute. That's kind of our thing, it's to give people a skill for life. So we even have high net worth friends come to us, we had a personal friend who, he's worth probably 50 mil or above, and we ride mountain bikes with him and stuff like that.

And he was saying to me, Look, Matt, I've got all this cash in the bank, I want to buy a website, what do I do? I said, Yeah, dude, you've got to do that, because he's got a bit of tech skills. And then I realized, actually, that's the wrong advice. And I went back to him and said, Mate, honestly, you've got to do our course and learn the boring stuff. Because he thought he could just go and buy a website for a couple of mil and make money off it.

So you've got to do some reps, you've got to practice and learn how to do it. So it doesn't matter what level you're at, you've got to learn the basic foundations first. And that's like what you're teaching.

When everyone thinks you're crazy

James: That's what I did. I mean, I did the reps. When I was a general manager trying to learn this online thing, it was so hard. I think I went nine months without making a cent. And I had everyone around me questioning me, my peers, my parents in law, they're like, you know, you're just wasting all this time and energy, you're going to kill yourself. And, you know, for what, where's your results?

Liz: That is the big question that all the naysayers, all those people around you, will say, Where are the results?

Matt: We got that 10 years ago, didn't we?

Liz: That is the worst question to ask someone.

James: I used to get, Are we rich yet? Sort of with a slight tinge of….

Liz: Yeah, with a slight edge.

James: You know, it's like, I'll support you, but I'm still not sure if you're nuts or not. So it was, you know, in a supportive way, but there was a steep learning curve. And you know, well, take my life now and your life now, like, we live a fantasy life for the average person, right? Like, let's call it what it is, probably a top one percent lifestyle.

But it's come from that, you know, in my case, decades, in your case, decades, right? But the thing is, people can fast track or bridge to get closer there if they just want to tuck under and learn some of the good stuff and avoid some of the bad stuff. They can speed up that learning curve. And I know you guys are awesome for this, you just factor in reality about it.

A change in the way people build

I do want to ask you something you mentioned earlier, Liz, that I want to pick up on, and you said there is a bit of a trend to building now. And that's interesting to me, because I'd say for the bulk of my time, except for this time I bought a couple of 100 pre-done websites, and then I added another couple of 100 websites, so I paid for someone to build for me, for the most part, I built my own properties.

And I know for the most part, you teach people to just get in there. And I think you have a rule too, they mustn't spend more than, is it $500 on their first site?

Liz: We've made it $1,000 now.

James: Yeah, $1,000, just to stop people from harming themselves, right?

But is there a change in the way that people are going about building now?

Liz: Definitely, yeah. And we encourage all our students, while you're looking to buy, because what you want to do is take the pressure off, you don't want to be forcing a deal, you don't want to be thinking, oh, I've got all this money, I really want to put it in the market right now.

Matt: Yeah, like my mate.

Liz: Yeah. So while they're looking for the deals, what we encourage is build, build, build, because you can find, what you can see is, going back to that point about, okay, can we compete with the big guys? This is a super abundant marketplace. We're talking about trillions of dollars, billions of topics and niches, there is so much breadth to what you can do online. And as you know, and it changes too, there's innovations, there's new things coming forward, so there's new topics.

And so it is an absolutely abundant marketplace. But what we say is, when you see something, like even if you see a deal that looks amazing, but you decide no, you're not going to go ahead with that one, think about that maybe it's a niche or topic, is there a different spin you could do on that, and just build it yourself? Because by creating, as you're building up those assets, we liken it to planting a forest.

If you want a forest and you want to grow some beautiful big trees, you don't just plant one seed and expect that one to be your big tree, because anything can happen. So by building a few, a portfolio, and that's our strategy, I know not everybody goes with that sort of strategy, that's what's worked for us, though, is having that portfolio, having a range of sites, a range of options.

James: That works for me, I love redundancy and backup, and no compromise, that would fall under.

Matt: And yeah, it just made me think, I want to point out, to us, it's kind of stating the bleeding obvious, but the sweet spot now in this marketplace, because we've got these big high-end, bigtime buyers of websites, the sweet spot for the small players, like any of us, is we can get started in this market, build up our sites, even to making anywhere from $1,000 a month, passively, or 5000 or $10,000 a month passively, and sell them to the big buyers.

Because what we're seeing in the marketplace now is traditionally private equity, and the big, big buyers wouldn't touch businesses under 20 mil or whatever. Now they're buying good websites under a million dollars even, because it's a land grab. They want the good sites and they want niche sites, where maybe they're in a certain marketplace, but someone's covering it really well on this little tiny niche website, bammo, they will pay you mega bucks for it.

So that's why now, a big part of our strategy is twofold. It's not just buying websites, it's probably more morphing into, guys, start building up these sites. It'll take time, we're talking a two-year plan here, right?

Liz: But we've got both markets, so building in a growth market means your costs are low, you can evolve over time, you know exactly what's gone into what you've done.

Matt: There's no risk.

Liz: Yeah, it's very low risk. And then you've got a beautiful asset.

What potential website buyers can’t buy

James: That's it. I mean, you remember that site I had, when we spoke five or six years ago, I've still got it. It's a passion area where I can easily create content and give the team support. We're in a rising market that's 10Xing because of wave pools, Olympics, all of that stuff's happened, which I foresaw. And one day, some big company is going to just write out a check, say, Thanks for the site we should have done. So it gives you options.

And the best thing is it just gives my team something fun to work on on the side. So if you run a boring agency, or you've got a coaching business and you have a team and you're worried about what do you do with their spare capacity, then I would have a forever project like this and just get them into that so you can start building out that crop to the side.

And as one of my mentors said, You can't harvest what you haven't planted. So I've got these things out in the side paddock, and one day, I really think that could become my thing, who knows? But it's an option and that's great to have options.

Matt: I reckon a good because you think about, James, think of your potential buyers for that website. There is no possible way they can short circuit your four or five years of building that website. It's like, I once thought this sounds bizarre, I once sold an advanced tree farm for millions of dollars, and me and the owner realized, there's no way you can get a 20-year-old tree anywhere except on this farm.

So it's the same with websites. Your buyers…

Liz: Can't buy time.

Matt: They can't buy time and they can't short circuit that four or five years of just consistent, simple, because that site's passive for you, isn't it, pretty much?

How owning a site can get you free stuff

James: No, I mean it's, it brings in income, and it's a fun thing to do. It also, as a side note, it completely changes the treatment of purchasing of equipment and stuff, and people send me things for reviews and stuff. So even if you did this type of activity, I heard a story, this is what triggered me, I heard a story about a guy who loved theme parks.

And so he set up a theme park website and then he got invitations to all of the theme parks to go and review them, and he got free accommodation, all of his travel and everything is tax deductible that wasn't paid for, so it turns it in from a passion to a business. So I guess I do have some stock, I suppose, some demo stock and trading stock and things, but people send you things for review, they want to pay for ads on the site, and it can actually turn something that you would pay money on or do for fun into it.

So in your case, you could have a mountain biking site and then that means everything, your trailers, your mountain bikes, all your equipment, your pink lycra pants, I know you've probably got some, don't lie. It's all going to be like, now it's for the business, and it's that classic, I know we even had that conversation before, you said almost every business owner is putting money through their business for some of their living expenses, but now it's actually legit.

Matt: Well, one of our clients last year bought the SUP site, the standup paddleboard site, he paid $1,000 for it, right? And because we teach one of the things is go and negotiate better affiliate deals, he just did one of our strategy content exactly what you're talking about, he contacted a stand up paddleboard manufacturer in America. This is a guy in South Australia, right?

They sent him a board worth $1,000. He'd only owned the website for less than six, because he fixed it up and it looked pretty good. They sent him this board all the way from America, and he was on Zoom with them, and he said, Look, you realize I'm in Australia? They said, No problem. You can have it. They just sent it out to him.

So he made his money back. And what he did, he went to his GoPro, went to the beach, surfed on it, had a brilliant day, did a review of this stand up paddleboard, and now more people want to send him stand up paddleboards.

James: That's exactly right. I go out and GoPro things. And I write up reviews and take pictures of stuff. And I've got the best relationships now, like five, six, seven years' worth of relationships of people. I even got a press pass for surf contests when it was at Manly beach. I had my camera and I was like, in the VIP room with the contestants. And I got the best view of the thing.

So yeah, it can open doors for you. I love this business model. And I love you guys. Thank you for sharing. And thanks for looking after all the people who I've sent your way, because I don't teach people how to build websites anymore. But I'm most definitely into harnessing the leverage that's available on the internet.

And you're my recommendation, eBusiness Institute, you're doing a great thing. It's been such a great collaboration over the years, and it was great also working with you, and now we're almost neighbors, so I'll be catching up with you often.

Thank you so much. This is episode 919. If you want to get a transcript or review it, it's available for you. Talking to Matt and Liz Raad, eBusiness Institute, really pros at building, developing, buying, renovating, M&Aing, whatever you want to do with online portfolios, these are the guys.

Liz: Awesome. Thanks so much for having us, James.

Matt: Thanks so much, James. It's awesome.

James: Take care.

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