

Brian Lee: Entrepreneurs Don't Wait – Take a Risk, Work Hard, and Don't Be Afraid | E44

No one ever says I've got that perfect job and I'm 100% happy all the time. It just doesn't exist. It just doesn't. It's like there's a quote that I kind of love from Henry Ford. Right? And he said you know if you think the grass is greener on the other side maybe you should pay more attention to your own garden. My guest today is my great friend Brian Lee. Brian is a rock star serial entrepreneur and an incredibly successful venture capitalist. He is the co-founder and CEO of LegalZoom which had \$575 million in revenue last year and has a market value of \$1.75 billion. Today the co-founder and ex-CEO of shoe dazzle, a company which grew to more than \$100 million in sales within two years after starting the company before it merged with just Fab, the co-founder and CEO of the art of sport where he partnered with none other than the late Kobe Bryant and is the current CEO and co-founder of arena club where he's partnered with Derek Jeter which we're going to talk about in a few minutes. Brian is also the co-founder and CEO of the incredibly successful venture capital firm Bam Ventures which has had many billion-dollar exits. And he is an incredibly generous philanthropist who is dedicated to giving back to our community. Brian, welcome to a search of Excellence. Thank you for having me. Excited to talk to you. You're my first live guest I've ever had in the studio so I appreciate you being here and let's see how it goes today. Let's do it. Let's go. Yeah, I would start my podcast with our family because our family prepares us for preparation our future. Our values. Tell me about your parents and tell me specifically about your parents coming here with \$500 in the wall and two suitcases. Um, yes, it's uh basically I was born in Korea uh in Seoul and my parents uh this is in the early seventies moved to the United States with me and my older sister. Uh I was two years old at the time and we landed in America. My dad had his family uh two pieces of luggage and \$500. And that's how we start our life here in America. And what was that like growing up? What did your dad do? I I wanna know a little bit about him being working in the furniture business. Yeah and how he progressed and worked his way up to the furniture business. Just take us through the progression and what you learned from him and the values you you learn from him. Yeah, sure. So so my father is um one of my biggest inspirations in life and my so is my mother. Um we're all super close. But when we moved to the United States my parents um they're both college

educated but they didn't speak the language And so um they took kind of menial jobs if you will right So my dad uh had two jobs one was working at a furniture factory making booth furniture for restaurants like those you know like the booth furniture Um And then uh and then in the evenings he would work in the orange fields and pick oranges with the day laborers And my mom uh worked for Bayer Aspirin and this is before automation And so she sat at a conveyor belt and counted 25 pills to a bottle And that's how we started our life here when they come home and talk about their work And did you see how hard they work How how old were you when you actually noticed man they work their asses off You know it wasn't it wasn't until much later Truthly when I was in high school that I really realized like what my parents went through to create a better life for my sister and myself Um my mom told me the story that when she was a Bayer Aspirin or a bear they would um ask for volunteer workers for overtime And she was always the first to volunteer she would raise her hand because you get paid a a time and a half for overtime even back then And so uh you just realize like gosh you know they they they worked super hard and it wasn't until high school But I realized with this type of opportunity that they're providing to us like I've got to work hard too I'm not gonna put their hard work to waste right So that's when I realized I had to kind of kick it up a notch up until then I was kind of lazy with with grades and and and studying and everything else But that's when I kind of took it to another level At some point your dad worked his way up and started his own company entrepreneur You have the gene tell us tell us about what it was like Watching him go from working in a factory in a furniture store to starting his own business and build a very successful business Yeah So my dad um he was making furniture and he would ask the owner of the furniture shop like can I go sell the furniture And then the owner would always like no well you know your job is to make the furniture So my dad actually told me that he convinced the the store or the the uh company owner to let him sell furniture on the weekends And he said well if I sold furniture on weekends will you give me the same commission that you're giving your other sales people And he said yes dad would sell furniture on weekends And it it was interesting because this is the early seventies before the uh a very large wave of Asians came came in And so my dad would knock on the doors of Chinese restaurants and Japanese restaurants And they were just like they're kind of amazed like wow there's an an Asian sales guy selling me furniture And so they all became friends with my dad And so he started selling them with furniture But then what my

dad realized was that after he sold them furniture it would take a long time for them to order again right Because furniture lasts a long time So my dad started thinking well what can I manufacture in Asia right with his connections in Asia and bring over here to the United States and use my restaurant connections And so this was pretty avant guard at the time right This was pretty uh early in terms of uh importing and and using manufacturing in in Asia This is the early set or actually now it's the by the mid to late seventies Um And then so my dad thought utensils stainless steel flatware And so he kind of built that business working at you know selling to these restaurants And so forth and his sales pitch was pretty simple He told me the sales pitch he said if I could give you the same quality fork for half the price would you buy it from me And of course the answer was always yes Right So my dad built a pretty sizable business in utensils stainless steel utensils And and then he started fabricating a lot of other stainless steel uh goods And so he moved into uh auto parts as well And so like was one of his clients where he would make the stainless steel buffer tips And uh I think there was like um some auto companies like uh Smitty built he would make like the railings on trucks like stainless steel railings and so forth So he built a nice business You were born with the DNA you're one of the best entrepreneurs I've ever met You've had an incredible career Can you learn to be an entrepreneur without having the DNA born to be an entrepreneur And were you influenced watching your dad I mean did you have it from the moment you were born or where you're looking at your dad Oh my God look at what he's done Look at what he's built I gotta do that You know it's a it's a it's a great question Um I think entrepreneurship can be learned Uh Of course it can be But at the same time II I do believe that most entrepreneurs have that DNA are are born with that little part of them that wants to go start something and build something Um That's interesting because II I meet a lot of folks you know just being in in business and so forth and they come to me and say you know I'd love to be an entrepreneur someday right And I and my answer to them is always like why not today Right I I it's and I think most entrepreneurs kind of seize opportunities if they come up with a good idea if they see something that they want to go do a lot of them just go do it right It's like you don't wait you because I I hear all sorts of things like um well I'm just working at this company to get more experience and in due time I'll go start something or there's like and most of the time it just doesn't happen Most entrepreneurs if they have that idea they're gonna go do it right And II I really do believe that and it's um and it and it does become harder it does

become harder as you age That's the the sister who which is I always say entrepreneurship is sometimes uh oftentimes a young person's game because you know at some point you get married some a lot of folks get married and then you have kids and then you have you know tuitions to pay and and rents to pay and you know mortgages and car payments and everything else So it becomes harder and harder to actually take that risk to jump into the abyss and and try something Right So my my my I guess my my suggestion to to anyone listening is if you have an idea you really want to pursue it go do it So so many people we know have great jobs and we know a lot of people who are not millionaires we know a lot of people who work at companies are making 30 40,000 \$50,000 a year They have great ideas but they don't do it And the reason they don't do it is fear of failure And that's true from someone right out of school I should do this I have a burning passion They do it because of the opportunity cost of changing job and not not doing it They feel bogged down What what's your advice to these people So many great ideas We spend a lot of our days listening to pitches and we have a lot of friends who pitch you ideas Hey Brian we're good friends Right What what's your what's your advice for people to get over the fear when people are gonna lose their job give up their job take on more debt take on credit card debt and then they're afraid of being known as a failure It's public when you fail these days it's on social media It's everywhere Yeah You know I think I might be missing that antenna Right Of of of fear in terms of starting something or failing at something I I really don't care if I fail I honestly take that as a learning lesson Right Of course you don't want to fail but it's ok and and and that's what I try to tell Any aspiring entrepreneur It's ok and and honestly it's like you're never gonna know you're never gonna know if something works unless you try it Right And and yes are are there a lot of companies that fall by the wayside That that didn't work out Sure But again that's all learning right It's all learnings and and you know II I wanna say you know go take out massive debt and you know you know go try something or this or that Uh That's not what I'm saying But what I am saying is that there are ways to get creative in starting something too You could always have a job and work really hard work at night That's how we started my first company I actually we we had jobs we're gonna we're gonna get into legal Zoo I'm excited excited That's why you did it It's like you you just you're just you just at work you out work everyone right So you're working 23 jobs sometimes to make ends meet but to to go follow your dreams and passions and and go try something What what about the people who get up the curves

They may raise some funds We start with friends and family usually uh unless you're really lucky and you make a product and it just starts taking off the shelf What about the people who fail the first time Oh man I'm I'm I'm done I mean how many successful entrepreneurs have you and I met who are on the failed their third three failures on the fourth one they hit it big and and what's your advice to people who Ok 22 companies maybe not 444 something's wrong But but you know two companies to to to you're an entrepreneur you were born It it didn't work the first time I mean we know tons of people like this and many of the companies that you funded uh have that same profile What what's your message to all those people out there who man II I failed I can't believe it I lost investors money I wasted two years of my life and then they don't wanna try again but they may have another great idea How do they keep going You just gotta convince yourself to get back on the horse and and and give it another shot I know there's no other way to say that it's just you gotta keep going And if you really believe in your idea if you really believe that you've got the capability to get it done go try it even if you failed the first time Right And and we as an investor I've invested in plenty of entrepreneurs that have failed once or twice before Right Sometimes the third time or fourth time is a charm Right And and it's just if you've got it inside of you to want to put all your effort into something then seriously just you gotta just do it you gotta go for it because there's no other way around No one's gonna do it for you Yeah You know like no one's gonna do it for I mean how many times have you heard Oh my gosh I had that idea too Right Oh that that it's like I I was gonna do this bubbly water or whatever it is with infused Uber is a great example by the way there Yeah a bunch of companies doing the exact same thing Yeah Right And so it's like all that kind of stuff It's like you you hear so many times somebody will say gosh you know I had that idea 10 years ago Well then why don't you go do it Right So it's like it's not the idea It really isn't it It's it's do you have it in you to execute it Right And to give it your full effort because that's the other thing is it it's unless you're really focused on it it's not gonna just happen Nothing just happens rarely I mean ok maybe sometimes someone was a lotto or something like that But but most of the time you gotta work for it You know almost all the time You've got to work and you got to outwork everybody and you know it it's all about executing all that idea And if if you fail the first time take those lessons take those learnings and try it again try something new maybe it'll work the second time Let's talk about education which I think is one of the most important ingredients to our future

success graduate high school And then you say man I wanna be a Korean rapper and I wanna go in the music business and mom and dad I don't need to go to college but I'm going to New York Yeah Tell us tell us what that was about and then we can switch to uh UCL A and and you coming back to college Yeah You know it was by the way you've never rapped for me ever And when we go to dinner Tuesday night I'm gonna make you I'm gonna make you rap and and is gonna make you rap Peer price are funny Um Yeah No I always loved music I always loved uh rap music and hip hop And um I really thought I wanted to be a rapper This is in high school And II I told my parents you know I I'm not going to college I'm gonna go pursue this rapping thing Um Honestly this is this is back in you know the early nineties and I I don't think the world was ready for a a Korean rapper yet It took it took really to grow and and break that barrier Um But yeah I I'm actually happy I tried it III I went to New York and we we made some mixed tapes and we were trying to hustle and sell the tapes on the streets and give them to to any producers that we knew and it just it just didn't work But we tried and I had a lot of fun trying But um yeah that's when I realized ok maybe me and my parents are right Maybe I should go get an education and went to UCL A There's so much talk now about kids not needing to go to college You got guys like Peter Thiel paying people for a tea prize not to go to college Charlie My son you know well uh loves selling shoes He's an entrepreneur He trades he's got the gene And for his junior year in college said dad I'm not going to college Charlie You're going to college Dad Why do I need to go to college And I know what I wanna do I said OK well who's gonna pay your rent Charlie What what are you gonna do How how are you gonna get the capital I believe that education is the most important investment you can make in your future And I also believe going to college that it's the learning environment being away from home where you really grow as a person you learn to make friends and and you grow a lot and mature a lot Um Tell us you went back to UCL A Um You were not a particularly hard studying student but you did well in school So you're one of those guys that people hate where you're you're not working that hard and then you get A's on your tests Uh But but what was you went back to school What was the experience like Could you be as successful as you are today without going to UCL A and then UCL A law school You know I don't think so IIII I kind of fall into your camp in terms of II I do believe in education Um And I do believe in that uh that college experience And I think most of it has to do with just perspective you know understanding different cultures understanding

different viewpoints meeting people from all walks of life and understanding right And I think that that that you can't get that almost anywhere else right You you're not gonna get that as a as an entrepreneur right You you that that type of perspective And so I think the only place you can get that type of experience is in college um because I certainly did right It wasn't even so much the the material I was learning in school Right Really It was just learning about life right And maturing in that sense Um And I think you gain a lot from that right Especially if you're going to be an entrepreneur and you wanna if you're doing anything a consumer especially you wanna you wanna understand you know what makes people tick right And you want to understand what moves people and the only way you get that is by getting perspective and there's so many opportunities for people to do whatever they want to do their interests or hobbies There's tons of clubs these days Uh there's entrepreneurship clubs business clubs consulting clubs They didn't have those really when we were in school Um I sold t-shirts door to door as you know made t-shirts going in one door out the other Did you ever cut co knives No but I did there was the Ginsu knives on TV And I actually applied for a job in the mail for a door to door sales job and didn't get it I was like I was 16 years old We actually never talked about this but I actually did apply for one of those jobs That's awesome So as I was mentioning I I sold t-shirts door to door I go in one door I go out the other door I get kicked out But the cold calling experience was amazing And the clubs we didn't have the clubs but the the like minded DNA people it was fun to be around it inspired me to be an entrepreneur when I saw other people being entrepreneurs Yeah No I totally agree with you And I think salesmanship right I is is key for almost anything you do in life Um It's all about sales you're selling yourself you're selling the product you're selling the service whatever you're selling you're selling Right II I really believe that that um my uh when I was at UCL A my first job was actually selling oil futures I'm not sure if I ever told you this No but I didn't even know what that is I said I I was basically selling um like energy products Uh it was like the company called it was called Remington Securities in Westwood and it was cold calling Dialing for dollars and and they literally they they would give you a phone book and say start dialing right And so I would say you know hello this is Brian Lee from Remington Securities Would you be interested in investing in oil you know so forth and you learn very quickly how to hone your your your your pitch right Because you get hung up on so many times cold calling But then you know you get better and better and better at it and eventually I started making some sales

Yeah that was my first job What was your first sale Uh it was to somebody in Nebraska in Omaha Nebraska And and they purchased like five units of of what we're selling And it was a big deal for me because that that helped me uh pay for food for about a month One of one of my first jobs a summer job in college was working for a company called Mural Stone Construction So I did home improvements in low income neighborhoods in Detroit And I walked into the office one day there's 10 people and 10 phones and white page phone books which no one even knows what that is today but it's a phone book and just 100 cold calls a day You wanna buy some aluminum siding today You know do you need any cracks in your sidewalk Does your house need to be painted Uh And it was interesting because like you said II I think Cold calling is one of the best most important skills you can have in anything you do Yeah Yeah I agree So let's talk about how times have changed a bit since you and I went to school We joked that we're old and things are very different today but we do work with mostly young people You're an entrepreneur Most of your teams are young My team is very young and our portfolio companies the teams are are young when we were going to school It was most important to get a high GPA Yeah everything was about GPA And to go to law school you obviously need a high GPA and you have to take board scores Although I've never heard of any direct correlation between your board scores and your success in life I I don't know why we're still taking the SAT I think it's ridiculous But today are grades important We don't hire people or even really look at the grades when we hire anybody today Great question Randy Um I would say yeah we don't I don't really pay attention to grades Um I I think the most important thing that I look for is does this person that I'm looking to hire have commitment have drive So it's not so much you know their grades or this or that it's it's completion Right Did they graduate That's all I really that's all I really look for Right Because it it it really is Um and I heard like recently because my kids are getting to the age where they're starting to think about college And II I spoke to a college counselor once uh just recently they said the most important thing to really show even the colleges is that you know how to finish Right You you start something and you see it through and that's the same thing that I look forward truthfully when I look when I hire is like did this person see it through Right Can I rely on this person because it it it it's just it's it's harder when you're when you're looking at a resume and you know we've all seen these resumes where someone like skips from job to job every three months We don't hire job hoppers more than two jobs in two years We won't even

look at a resume Yeah that's how we are Right Because it just it shows lack of commitment there there's something off Right If you're jumping around every 36 months or even a year right It's just we look for someone who who is dedicated loyal and sees things through What's your advice to the young professional who is a little bit unhappy at work because their boss is an asshole or doesn't like them looking at them in a funny way or they it's a political atmosphere They're not entirely happy or maybe not even happy at all Should they learn to get along with others and stay in a job for two years Because that's part of being successful is you have to learn to deal with difficult people There's great people there's very difficult people There are jerks who you're working with or do you leave the minute Something gets rough and they don't like something and they go across the street in addition to that what if someone is modestly happy they're making \$60,000 a year \$100,000 a year There's a competitor said I'll give you \$10,000 more or if they make 100 I'll give you \$20,000 more Do they leave or do they stay Well if it's a money thing I would say say right Because it it it it's really more about experience at a at a younger age especially and you want to get that experience But in terms of you know if you're unhappy look I don't think anyone should be unhappy Right I really don't But at the same time you know can you do you have to deal with a little bit of pain Of course you do Right That's that's life It just is Right I it's like everyone deals with some kind of BS at at at their job Right Everyone no one no one ever says I've got the perfect job and I'm 100% happy all the time It just doesn't exist it just doesn't it's like there's a there's a quote that I kind of love from Henry Ford Right And he said you know if you think the grass is greener on the other side maybe you should pay more attention to your own garden Great Yeah And II I really believe that because everything always looks great from the outside Right It's like oh my gosh look at this person They're so happy working in the music industry and and they get to go to concerts all the time and find new talent I I want that job That looks awesome But then you get that job and you're like stop sucks Like sometimes that happens Right And you're just like well it's it's not always rainbows and unicorns on the other side Right And sometimes you just gotta suck it up and you just gotta get it done and hopefully you're more happy than not because again I don't think anyone should be unhappy all especially all the time If that's the case then maybe you should be looking Right Right But um yeah but sometimes you just have to suck it up Right So let's talk about sucking it up and doing something that sucks Yeah So we have a lot of things in common One of the

things in common is we went to law school with no interest The practicing law We fucking hated law school Yeah And so what's mhm We graduated law school but we realized we need to make money and put things on our resume and learn something But it was a means to an end for both of us Tell us about scadden which is one of the best firms in the world And I read somewhere that you said you just want to put a bullet in your head which is how I felt every single day I was there nothing against Scana by the way which I love I have friends there One of the best friends I worked with them uh many times over the years but difficult to do And so tell us about your time there and and and were you plodding along thinking about I'm gonna do something in the future and you can talk about you and Brian Lou and just the precursor in the meetings prior to Legal Zoom because that's where we're going next Awesome Yeah So I actually enjoyed working at Scattered I did is II I really like the the partners that I worked with I like the people I worked with I just didn't enjoy the work Right Right And it's the work that kind of aid at me Um I just wasn't getting a lot of fulfillment out of it You know it's like you I was in the tax department So you structure some tax instrument you save some mega corporation a billion dollars in taxes and it just wasn't that fulfilling for me I I'm I'm sure other people are like get excited about that Right But but for me it's just yeah just it didn't move me And so I I was always seeking something that would move me Um And so that's when I started thinking well maybe I should go start my own thing Right And that's when I started talking to Brian Liu Uh who at that point was is my best friend and he's still my best friend Uh We started uh thinking of ideas together and that's the idea of a legal zoom Well let's talk about legal zoom Uh let's talk about the start of Legal Zoom Talk about your condo and we'll talk about uh I think it was called garden law dot com in one in one part uh Law Garden And then uh you made a really interesting smart lucky phone call one night at nine or 10 p.m. at night Tell us tell us how that all went down and how block is sometimes plays a huge part in your future in our future Um Yeah So Legalzoom uh was an idea that came about uh when I was talking to Brian Lou my my business partner at Legal Zoom um we both kept thinking gosh there's gotta be something better than working at these law firms and something that we could get excited about The initial concept that I'm surprised that you you dug that up at law garden uh dot com And the idea was that we were going to have a bunch of stay at home attorneys uh get online and answer your questions and chat with you for I think it was like 99 cents a minute is what we're gonna charge Um We actually never launched it

We we thought about it We started like you know sketching it out and everything else and modeling it but it's just it didn't work The economics didn't work because at the end of the day you're still practicing law So then we'd have to get licensed or take the bar exam in all 50 states and then on top of that the legal insurance was prohibitive We didn't have any money to pay that And the most important thing is that since you're still practicing law you couldn't raise money from non lawyers And so you could never sell the company to a non lawyer or take the company public for Feast winning issues And so we kind of scrapped that idea and started thinking deeper about what else can we do And that was uh the start of the idea for legal Zoom of legal documents online and using the internet to kind of automate the process of forming these documents or creating these documents And so that's that was the idea But the thing is and this a lot of people forget uh the early days of the internet right Um People are scared of it right People are scared of the government like they they did not want to put their credit card number into their computer because they didn't know where it was going Right Right And so but at Legalzoom the idea we had asked for a lot more than your credit card information If you're setting up a living trust we were asking for everything your bank account information your your savings account stuff your your home mortgage stuff like all of it And so we're like well how are we gonna build that trust with the consumer You know I I was at a great law firm and my partner was at a great law firm but no one in America unless you're in business have ever heard of these firms Right So that didn't really bring a lot of credibility And so that's when we started thinking ok may we need a face to legal zoom Right It was really to bring trust that you know you could trust the the the the site and it wasn't a a fly by night company We're not stealing your information And so that's when we came up with a list of attorneys that we thought would be good for Legal Zoom and Robert Shapiro uh the he was just came off the OJ Simpson case and the entire world knew who he was And so we reached out to to to to Robert Shapiro uh to be our partner in Legal Zoom you gotta get more detail than that My man I mean you you were I mean yeah Yeah tell the story of when you call what time of day it was and and kind of what the banter was between you guys back and forth Yeah So it was um I reached out to everyone I knew uh to introduce me to Robert Shapiro and my network at that time was pretty small right And so no one I knew knew him And so what I did was I called 411 information and this is before Google right No one calls 411 anymore But No but I called for information I asked for uh

Robert Shapiro Attorney Century City and I got a phone number and it was like nine o'clock at night to your point And um I have my voice message written out and I was gonna leave a voice message So I called the number and I didn't know at the time but Robert Bob works a lot when I hit So it was nine o'clock at night and he picked up the phone It's like hello I said hi I'm calling for Robert Shapiro And he says this is Robert Shapiro How can I help you I said well Robert Shapiro the attorney and he said yeah this is Robert Shape the attorney How can I help you I'll be like well my name is Brian Lee and I have a business idea I'd like to run by you And the first thing he said was I'm not interested right And I knew he was about to hang up on me I said well wait oh how do you how do you know you're not interested if you don't hear me out And and he definitely heard the desperation you know in my voice and and he said and I still remember this He says you've got two minutes right And in those two minutes I told the entire vision of of legal Zoom and what we're trying to do And at the end of it he said you know I get a lot of calls but I really like this idea Right And um and I'm thinking of something similar So why don't you call tomorrow at a normal time and uh set up a time to meet with me uh through my assistant I said sure that sounds great And so we set up a meeting and it was after the races after that How many people do you know who want to get in touch with somebody And they're intimidated to do so it could be they have a customer service problem They're not gonna email the CEO of United Airlines Why wouldn't you do that But if you're an entrepreneur there's so many people you should call for relationships partnerships advice mentorship and so many people don't do it but people do respond What's your advice to those people who are sitting there thinking I'm not gonna call that CEO that person's successful That person's a millionaire They're never gonna take my call They're never gonna return my call But what's your advice to all those people Why not Just just make the call It's not that hard to pick up the phone and it's not that hard to email Someone Might as well try the w what's the worst that's gonna happen They say no or they don't respond I live I've I've gotten a million No in my life Right And a lot of people who have hung up the phone on me or or or not returned an email Um It doesn't stop me you just keep going Right And and so a lot of times you you get those very successful folks entrepreneurs or you know bankers or whoever it is that you're trying to reach out to that they will respond right And they will because they they they both find whatever you're saying is interesting Right And they they they wanna take meetings and it's kind of like this you you hear these stories II I remember I read a

story once about I can't remember what actress it was but it was some some actress who said you know um I think the interviewer said you must get asked out all the time You know you're single you're beautiful And and she says no one ever asks me out Right And it it's part of the same thing for a lot of care No one ever really calls no one cold calls me Right And no one cool calls you well not not often Right So it's just you know it's just the way it is People just don't take advantage of picking up the phone or sending an email