



meetinnovators™
where the deals get done

Interview with Eben Pagan from Hot Topic Media



Adrian Bye: Today, I've got Eben Pagan on. Eben is someone I've actually known for a long time, since 2001. Eben's been pretty successful on a bunch of different areas on the internet and sort of got going when a lot of things were just getting started. I'm really excited to have Eben here.

Eben, thanks for joining us

Eben Pagan: Absolutely. I'm glad to really be connected with you again, Adrian, doing this interview.

Adrian Bye: Cool.

Why don't you tell us a little bit about who you are and where you come from?

Eben Pagan: The short version is I guess I'm what you call a self-made guy. I started out poor. I grew up poor, actually out in the woods in Oregon. I really didn't have any frame of reference for success. I didn't really know anyone that was successful. I kind of had to find my own way.

I tried real estate when I was in my early 20s. I didn't really do very well at that but discovered marketing actually more in my mid-20s and that was really interesting to me. I actually found marketing and sales as a result of trying to do better in the real estate world, and as I learned more and more about marketing and sales, I realized that this was the missing piece. This was like the component that almost no one talked about in business when I was in college. I took a couple of years in college and I took one or two business courses. I think I took an advertising course and maybe something else that I can't remember, and when I started learning more about direct marketing and more conversion-oriented marketing, I realized this is not the stuff they were talking about in college but this is the stuff that convinces people to actually take out their wallets and their credit cards, and give you their money in exchange for what hopefully is a massive amount of value that you're offering them, and that really good marketing isn't just about selling people stuff and convincing people to buy stuff. It's about communicating value. So that was a big aha. I went on to start my own consulting business for real estate and mortgage companies. I did that for about three years where I taught them marketing, sales and how to build their business.

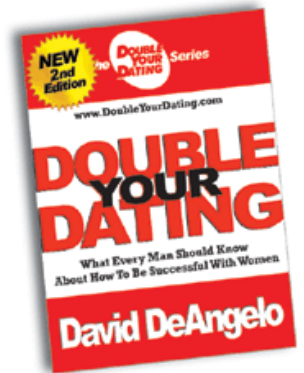
Then in 2001, not too long before you and I first hung out, I started an internet marketing business where I started it by writing an e-book and putting it on the internet. A good friend of mine had written an e-book and was making interesting money selling it online.

Adrian Bye: His name is Dean Jackson.

Eben Pagan: Yes, Dean Jackson. He kind of showed me his system and said, “Hey, you should do this.” I’m generalizing and kind of condensing but I wrote this e-book...

Adrian Bye: You met Dean because he was in the real estate world so you guys hung out back from then, did you?

Eben Pagan: Yes, exactly. We actually made friends back when I was learning the real estate marketing world and we actually worked together for awhile. That’s when we became best friends. But the e-book and then putting it online was really game-changer for me, Adrian, because before that, I had never built a website. I had done internet marketing. I didn’t know how to do HTML, build lists or any of that stuff so I had to figure it out. So I locked myself in my bedroom, got a book, got a copy of Microsoft FrontPage and started building my website. I just had to figure it all out – how to do e-mail, how to get traffic to the site and how to take payments.



The day the website came online, I sold two or three copies of my book, and the light bulb over the head kind of came on and I realized I’m sitting here at my computer all by myself, basically outsourcing taking of money, getting of traffic, hosting of website – all this stuff and I can control it all from this control panel. It’s almost like a videogame that I’m playing and people are coming to the website, going through my sales and marketing process, buying my product and then downloading it. Then the money is getting direct-deposited into my account which I can then go spend and get some more traffic. So I realized something big was going on here and I started to build the business. Basically fast-forward now 7 plus years and I have a team of about 80 full-time employees. We’re probably running at a run rate right now of about \$25 million a year in sales. We’ve launched several different businesses in different niches, mostly in the relationship and dating advice space, and also in the business marketing, internet marketing space as well. We have a coaching program where we teach others how to publish and make money, selling information products on the internet. Now, I’m just going into some other ventures and seeing where this takes me.

Adrian Bye: Can you talk about the growth of the first business? I remember you talking about it was doing \$10,000 a month or something like that and that’s pretty exciting. Then it kind of went up exponentially, didn’t it?

Eben Pagan: Yes, I was very fortunate. They say it’s better to be lucky than it is to be smart and really, being smart is really recognizing when you’re lucky because I’ve tried lots of different ventures like most entrepreneurial types. Most of them didn’t work or worked marginally well and this one just had what it took. I took what I had learned about marketing, branding and positioning. I created a category in a niche and I started to grow it. I recognized the scalability of it when it came so I just followed it and for the first five years or so, we were growing at a clip of whatever – 200% to 300% a year. I don’t remember the exact numbers off the top of my head but it was like \$150,000 the first year, then \$500,000, then \$1,500,000 and then

\$5,000,000. It was really growing fast. Over the last year or two as we've launched other businesses, I faced the challenge of once your business gets up there in that \$10, \$20 million range, you start dealing with a whole different class of problems and challenges. We've been trying to figure those all out right now and fortunately, I think we've done a good job. Business is still growing and we're coming back into what looks like hopefully will be a good growth curve right now as we found some important new team members, generated some money internally to grow our acquisition and so forth but yes, it's grown pretty fast, scaled pretty fast.

Adrian Bye: Let's talk about the first business. Obviously, you're the infamous David DeAngelo and this is *Double Your Dating*.

Eben Pagan: Yes.

Adrian Bye: I've read your stuff. I've studied your stuff. I think this kind of stuff is really important for anybody to study because I think just about every guy that I've ever met could definitely stand to improve their game. What made you qualified to go out there and teach it?

Eben Pagan: Boy! I don't think I would say I'm qualified at all. I don't know if I'd use that word to describe what I am. Here's what I see happening right now, Adrian. Modern reality is not about having letters after your name. It's not about having necessarily qualifications or certifications. Modern reality is about I want to learn different things in my life because my basic Maslow's hierarchy of needs are met so I want to learn cool stuff like how to learn things, how to improve, how to go on adventures and how to play videogames. I want to learn how to have a better relationship. I want to learn how to be more healthy. So people are really going after knowledge. I'm no exception. I'm a knowledge junkie. I went through a phase in my life where I was single, I lived in a new place, I was actually doing well for myself financially but I couldn't get a date to save my life and I said, "I've got to do something about this." I'm condensing a little bit longer story into just a few words here but I said, "Alright, I'm going to figure this out." I felt like a dork doing it but I went and started reading books, going to seminars and getting to know dating experts. What I found is that the stuff that other people were teaching was either rehashed stuff from decades ago that seemed corny and ridiculous or it was for relationships which is after you get a date, or it was something about it that seemed not right, maybe a little manipulative or a little sneaky in some way. I tried everything. I mean I'll try anything. I'm that kind of person. It's just always kind of hit-miss and then I started hanging out with guys that really understood dating, attraction and just kind of that whole thing. They just were naturals. They got it and I watched what they did, paid attention. It took me a few months of really watching before I saw that they were doing things that no one else that I had found so far really noticed. So with my journal, I'd write down what I saw. I'd ask them questions and I'd go try something. I just stumbled across like a whole body of knowledge that other people knew but they didn't know they knew. They didn't know it was important. Guys who can go get a date anytime, they just think like everyone knows that, it's natural. They can't imagine that anyone would not know that so they don't know that they know. I took that, kind of codified it, put it into a system, figured it out for myself and then banged out a book. I mean it basically took me about three weeks to write the book and lock myself in my bedroom. So my "qualification" is that I can get the result. I can get the job done and I can show you how to do it. I think that's not only a modern paradigm but it's something that worked really well for me.

Adrian Bye: I can vouch for that. We went out many years ago. I saw you out and I'd say you had game. You were pretty slick.

Eben Pagan: That's very funny. Well, you're talking about a time in my life where I go through these different evolutions, right? Right now as we talk, I'm single again after a wonderful, basically 2½-year relationship with someone who's also still one of my very best friends in the world. But back then which is what – seven years ago as we do this interview right now, I was at a little different phase in my life and that was a good time.

Adrian Bye: Fair enough.

We can say you had two skills. One was you had game and then the second was that you were able to sell and be able to market that. Now, you're expanding into other areas beyond dating. I know you have the women's dating side and then you go into some other markets as well and I guess you can talk about what you feel like talking about.

Eben Pagan: Sure.

Adrian Bye: How do you make sure that in each of these areas that you're dealing with someone who really is a content expert?

Eben Pagan: Yes, great question. Even though I'm very marketing and sales-oriented, and we teach dating advice which there's a little bit of a stigma around it, I have a personal values system in a moral and ethical compass that says, "I won't sell anything that I don't in my heart believe is worth 10 times what I'm asking someone to pay for it." So I try to have a high standard that just guides me all the time. I don't want to take the quick fix, or do the hustle or the selling of the soul. I like being able to lay down my head every night, go to sleep and feel like I did the right thing, I was honest, I offered value in the world and I contributed. So that's kind of my starting point. So when I'm selecting another guru or content expert, or we've got one that shows up that's proposed to us which is maybe a little closer to the way that this worked, what I do is I just say, "Okay, what do you know how to do? Show me your products. Let me hear what customers have to say about it. Let's see how the thing works. Let's see how it works in the real world." Our first little child venture after *Double Your Dating* is one of the guys that came to work with me early on – he watched it all happen as he helped build the business. He was kind of the first business guy that we brought on the team and he said, "I actually know a lot of this same stuff but for women like I know the other side of the coin and I think I should write a book about this stuff." I just turned out that he actually did know a lot of this stuff. He really got the psychology so he wrote a book called *Catch Him and Keep Him* and we published it. It took off and did very, very well. The results speak for themselves in a way. You look at what the customers say, and if they say this stuff is great and it's really helping me then you've got a match there and it really works.

Adrian Bye: So you can be doing a good job in selling but you can still have high refunds.

Eben Pagan: Yes, sure. In my experience so far is in selling information products – by looking at what the customers say and talking to them at the live programs, which is something that I like to do a lot, you can get a feel for where it's at. I've gone to a lot of seminars. I estimated once and this was a few years ago that I probably spent 365 days of my life in seminar rooms, paid, working for them, helping out, guest-speaking, doing my own – whatever and most live seminars that you go to, there's kind of this feeling of people walking

around the back of the room, bored and complaining. There's no energy, the people don't seem like they're really getting good results, they don't seem happy. There's just that vibe whereas at our programs, I really try to take time to talk to our customers and so forth, and interact with them. You can just see. When you read customer service e-mails, you'll see if most of the people are writing in because they're bummed out, they're unhappy and they want a refund, that's one temperature reading. Like when I wrote *Double Your Dating* and started selling it, for the first six months I did the customer service so I'd read all of the incoming e-mails. For every 50 positive e-mails, I'd get one person who would complain about something and most of the complaints were things like a disagreement of style or something. It wasn't, "Your stuff just is bad and I don't like you." It was some random thing – "I disagree with the way the first personal ad and I don't think that it's right," or something. I think that if you use your good sense and you pay attention, you can figure out whether you're actually offering value to the world or whether you're just trying to sell something that's been packaged up for convenience, and I think that our stuff's pretty good.

Adrian Bye: Okay. You've done a lot of testing on your model. Can you talk a little bit about the model like what comes in through your process, like a click to where it comes in onto the side and then what you do with them afterwards?

Eben Pagan: Sure. Through studying marketing particularly early on learning from Jay Abraham, I learned about the concept of the backend. What most entrepreneurs who start businesses and most newbies are trying to do is just get people to buy their thing, and they don't realize that almost all money in a business is made after the customer buys their first thing and they can come back and buy other stuff which it's obvious to most people that run businesses now. But when I started out, it was just an e-book then we



added an e-mail newsletter. That was a huge breakthrough for us because in the beginning it was I've got a product, I'm sending people to a page and they've got one choice. They can either buy the book or leave. Well, then we started offering a free e-mail newsletter and so when you sign up for that, I'm going to communicate with you over and over and over. Maybe you won't buy today. It might take you 10, 20 or 50 communications before you finally say, "Okay, this guy knows what he's talking about. I'm going to purchase his stuff." Maybe you were not single the first time you came, you were just curious and you thought your relationship was going to end and then three months later, it did end. Maybe you were single when you got on the newsletter but you didn't trust it, then you got a relationship and then six months later, you were single and now you need advice. So it's this whole moving parade thing that's happening. So we created that and

my goal when we created our e-mail newsletter was to create the most valuable newsletter in the world on any topic and then to give it away for free because I could see that the internet allowed you to distribute content and kind of syndicate content very economically. I can sign up for a \$20 auto-responder system at one of these e-mail companies and load up my list of 10,000 or 100,000. I can be e-mailing them every few days for \$20 a month. Nothing that even approximates that has ever been available to an average person. The closest you can get before that was radio or TV, which you had to have serious money and you had to be a real pro to do it. E-mail newsletter – simple. So I said, “This is where things are going to go anyway – information wants to be free,” so I created this thing and that really changed the game. Now, what we do is our model really does depend completely on the backend. What we do is we sell information products so we’re basically selling know-how knowledge, techniques, systems for getting particular results you want in life. A model that seems to work pretty well for that is colleges and what they’ve done pretty well is create curriculums. So when you go to college, you don’t say, “Okay, I’m going to take a PhD-level course first, then I think maybe I’ll go try one of these freshman-level, 100-level courses and then I’ll do this other thing on the side, this masters degree course.” There’s a process. There’s a framework that you go through. So we basically create curriculums where there’s a program that you start with, then we recommend the second program and then we recommend the third one and the fourth one, and there’s some variation to where you go and we make recommendations on how to do that. What we did is we created a technology platform that when someone comes and buys one of our products, it automatically up-sells and remarkets other products in a certain sequence so that we’re offering you this curriculum as you become a better and better customer.

Adrian Bye: You can then set triggers so that you know if someone’s fallen outside of that routine that you expect them to proceed along so that you can save them if they’re not becoming a customer and bring them back on the path. Is that right?

Eben Pagan: I don’t know exactly what you mean by that but I’ll say it this way. We’ve set it up in such a way that the machine is intelligent so it knows what you do and don’t own, and it uses multiple methods to market and sell to you. So it walks you through the process in a semi-automated way the way a person would but it does it as a machine so it’s much more scalable.

Adrian Bye: There’s a book and I’ve forgotten the name of it. I’ve got it here somewhere. It’s the systems they set up for the Home Shopping Network and they just had a ton of data. They were able to analyse all of the buying procedures that a typical customer would take and then they could set triggers that if a customer was proceeding on a different path, they hadn’t heard from them in awhile or something like that, that would set them onto a different process and so they’d do different things to then steer them back in and continue being customers. It’s pretty powerful stuff.

Eben Pagan: Exactly and we do some of that type of stuff as well.

Adrian Bye: Probably your team does that and you’re not that involved in it?

Eben Pagan: Yes, at this point, I’m the typical distracted entrepreneur, more interested in screwing things up that are working then making them work better. So we got that thing pretty far along and I haven’t really worked on tweaking that part of the system in a few years because I’ve been focused on other areas of business. But for a little business like ours, it’s fairly sophisticated.

Adrian Bye: Yes. No, I mean that's powerful internet stuff.

So where are you going? We're going to have to talk about Get Altitude and some of the things you've done there but where are you headed long-term?

Eben Pagan: Honestly, I'm one of these weird new-age entrepreneur types that actually thinks that I might be able to contribute, make some kind of difference in the world in a significant way down the road. Maybe not me as an individual but as someone that influences maybe a lot of people, is connected to a lot of other people that are concerned about the bigger issues that were facing as a species and as a planet. All of this stuff that I'm trying to do has just helped that in some way, helped the world evolve, help the world solve different problems. I have a lot of passion around education and I think that if you just look at various problems that occur in human interactions and in human development. A lot of it really comes down to people don't have access to education, and we've got children who are growing up and staying immature so it's like children having more children, and it's a big issue. A lot of overpopulation stuff, disease – many different things, and my gut tells me that the internet is a huge leap forward in being able to solve some of these things and ultimately, I'd love to help channel the power of technology that this amazing species called humans have created and help use it to get all of us more educated so that we can all pull ourselves up by our bootstraps at least to a level that I think most people would consider to be acceptable. I think education's a big piece of that, and I think entrepreneurialism is a big piece of that puzzle as well, and so some of my work that I've been doing lately is teaching entrepreneurs how to start businesses and teaching authors, speakers, coaches how to publish their own stuff. Just trying to learn what it takes to do that and it actually turns out that it's a huge challenge. It's harder than I thought. There are a lot of intricacies but down the road, hopefully combining technology, education, entrepreneurialism, and maybe mobilising more of the people that are thinking in this way and are concerned about our planet, where we're going, some of the challenges we face and trying to focus them on solving some of these problems – that's kind of the general picture.

Adrian Bye: Why are you in the entrepreneurial world and why not do that in a non-profit world or in the government world?

Eben Pagan: Great question. I would love to work in those worlds and I've started helping some folks who work in those worlds on a semiformal or informal basis but I think that from what I know and I'm not the world's most experienced guy here – this is really the layman's perspective or not even the layman's perspective like the newbie's perspective at this – government and nonprofits, the people that I've known that worked in those worlds and what I've studied, they're not very good at execution and...

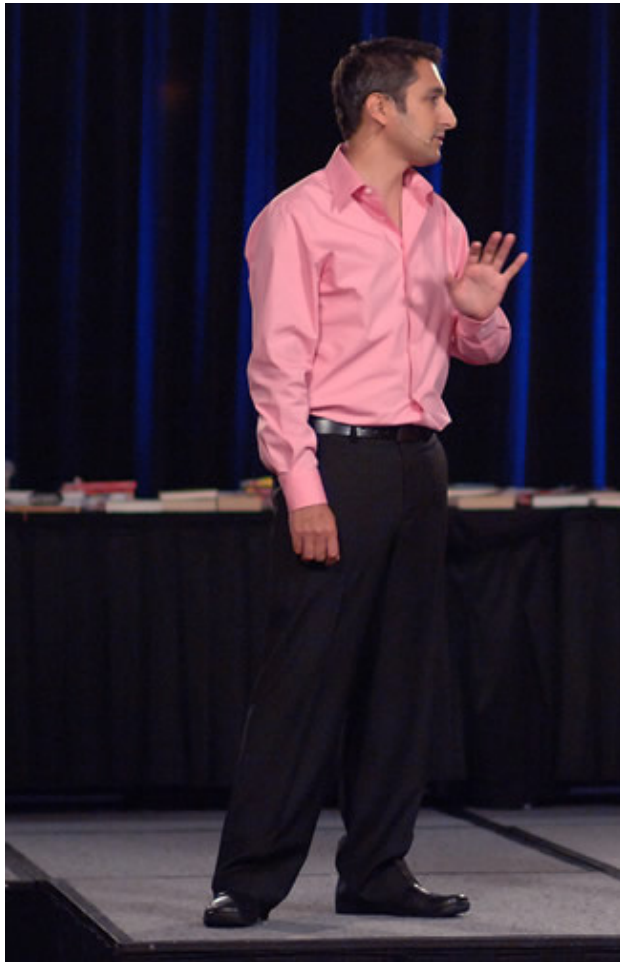
Adrian Bye: Yes!

Eben Pagan: Right? ...doing things in a results-based way.

Adrian Bye: I spent five years in the non-profit world and it's been interesting to see that the guys that I've worked with...it was 10 years ago...most of them haven't gotten anywhere and they fail in the area of execution.

Eben Pagan: I've got to tell you something. I mean this is a weird thing to say but I think they may have jinxed the entire process by calling it non-profit.

Adrian Bye: Yes.



Eben Pagan: Right? Like actually calling it non-profit and wearing that as a badge makes you unconscious to the fact that you're in a way sabotaging the results aspect of it. Also, people that are drawn to public service... I'm very into psychology, personality types and what have you. A lot of people that are drawn there that just start out there and live there all their life, they don't have the personality type that's profit, results and execution-oriented, and they don't hang around those types so they also tend to be very fair-minded egalitarian. They'll sacrifice themselves when the team of 10 people is sitting around the table and they're trying to solve a problem, everyone needs to be heard. It's wonderful-intentioned people. I mean these are people that literally will give their life and I don't mean like they'll die. It's almost more powerful for that. They'll give all the days of their life and their work to making the world better but they didn't get the transmission of the execution. Now, I look at everything in the world like every body of knowledge or every system that's been created from religions to the military to the sports world, and I say, "What did they figure out how to do?" In business, for whatever reason, what we've figured out how to do as the best business people

is execution – is organising groups of people to get particular results, to mobilise and execute plans, to use our creative minds to get around challenges and to do this in the name of results, and there's this profit motive which by the way I think has gotten out of hand. I think that there's something to the idea that big corporations that have to answer to their shareholders with profit and are willing to do anything to get it, I think there's something to that. Although I think that most business people are actually good-hearted people, are positive and want to make a difference because I've interacted with them a lot now and when I was poor, I looked at these people and said, "Those must be bad people because they have money," – I got that programming.

Adrian Bye: Yes, the Robin Hood thing.

Eben Pagan: Now that I hang out with these people all the time and I see, gosh, most of these people are great people, a lot of them are very charitable and because they become successful, they are doing a lot for the world. I got off on tangent here but back to my point, business has figured out how to execute and big companies have figured out how to execute. They've also incorporated the profit thing so it's not only execute and get results but do it in a way that creates excess value. I think that if we can harness some of that, and create strategies and systems then channel that over into the philanthropic world and over into the government world, and combine that with a little bit more of this new consciousness of involve everyone, give

everyone a voice but don't give everyone necessarily the same voice. I mean we still need to have leaders. We need to have educated leaders who understand. Interestingly enough when everyone gets a voice, they actually appreciate it when there's a leader around who is making the decisions and figuring out what needs to happen in integrating the voices. But when everyone doesn't have a voice when they feel like they can't contribute, then they're just mad at the leader. They say, "That leader is bad," and they're angry with them. So we've got to incorporate a little more getting everyone a voice but if we can take what we've figured out in business and use it to make the world better, I think we're all going to succeed a lot better and the whole species is going to succeed. In fact, seeing Bill Gates make the decision to leave Microsoft and then go run his foundation – I think that was a transitional moment, in a way, for this whole issue and actually maybe for our species, maybe for humans because we got the richest guy in the world who said, "Okay, I did the richest-guy-in-the-world thing. Now, I'm going to go run and I'm going to put my time into helping the world. I'm going to donate all this money to it." That's huge! When a person does something, when they walk their talk, they don't just say, "I'm going to donate some money over here," but I'm actually go commit – that foundation, when we look over the history of all the different foundations and what they've done, I'll bet that one's going to have made huge strides. I mean I'd love to be...

Adrian Bye: It will. I mean Rockefeller did that too. I mean he was actually in the homeo; I don't know how to pronounce it. He was into a lot of natural stuff and his money ended up funding a lot of modern medicine. The invention of it. So yes, that's a good point. It's funny. Basically, everything you said over the last couple of minutes on non-profits, the business side and execution is pretty much, I've could have said that all word for word. I've got a posting on my blog which I will e-mail to you and anyone who'd interested on this topic. I've noticed from these interviews that one of the most powerful concepts for developing businesses is incubators and incubators which last only for a short time to test a couple of businesses then drop the bad ones and keep the good ones. I also have noticed living in the third world for seven years that there's sometimes not the educational level of a capital to test different ideas and so an idea that I'm interested in that maybe I'll work on in future at some point will the idea of an incubator in the third world to test lots of different business ideas using local concepts and capital from wealthy countries like the US. Once ideas that can help solve social problems, try and do things that are scalable so there are ideas that can be rolled out all across third world countries as will fit. So I'll send you that posting but that's the idea and I agree with you completely.

Eben Pagan: Yes, I was talking to a friend maybe a year ago who was getting involved in microfinance and micro-lending in third world countries. He was talking about how the repayment rates are dramatically higher for these micro-loans because if a farmer in India borrows \$300 to buy an ox to plough the field, he needs to have that ox to feed his family. That thing is critical and he needs to pay the loan off because he wants to buy another ox so he can plough the field again. Whereas someone here in America where we live who gets a credit card for a \$5,000 limit and so goes and buys a new flat screen TV, some cool wheels for the car and whatever – it's just not the same.

Adrian Bye: Mohammed Unit stuff, I find him fascinating. I was watching an interview with him on PBS a couple of weeks ago. One of the things I think about that model is that it's kind of shameful that it's only been around for 10 or 15 years. I mean why the hell wasn't that invented 300 years ago and pulling people out of poverty before? So that sort of stuff, to me, should've already been tested. The other thing is that apparently they're actually testing it now, I think, in New Jersey. It's certainly in the New York Tri-state Area and

apparently it is working. One of the reasons that it is working is because they put a lot of social pressure on the people. They have them join little groups. They have to go to meetings and things like that. That apparently helps keep people stopping from defaulting.

Eben Pagan: Yes, that's fantastic. Again not to get too out there, but in studying developmental models of psychology and how groups of people develop, it's only been recently that humans have started in the mass like culturally had the realisation of "Hey, we should take care of other people outside of our group." Like that just hasn't been part of the equation before. Up until very recently, almost everyone on the planet was born, lived, died in the same place and didn't go more than a few miles from wherever it was. They didn't even know that other cultures existed and if they heard of one, it was in a folklore. So now, everybody's connected. Everyone has access to the internet. You can see other cultures all the time. There's travel. Probably a third or a half the world is still in the situation that I just mentioned and they're kind of coming up but the consciousness has just awoken, right? I think it's a developmental process that happens in the mind of people and these are things that emerge but I'm pretty excited about it because it's allowing those kinds of things to happen and I think we're going to see that a lot more especially with the rise of the internet, and the tools and processes that that facilitates.

Adrian Bye: What's interesting to me about this conversation is we're talking about airy-fairy fluffy stuff, doing good and all these kinds of things but at the same time, both you and I are hardcore Ayn Rand fanatics, and there's a real contrast there. I sent an e-mail out to my list maybe about six months ago after I had dinner with an extremely successful friend of mine who'd studied Ayn Rand at a very young age and I felt that was one of the reasons why he's successful. When I asked him about Ayn Rand, he said now that he thinks it's something that's absolutely toxic and creates a lot of bad things in the world. You had a really interesting reply. I'm just in general interested in understanding some more of your thoughts on Ayn Rand, how that's helped you, its impact and also the bad side.

Eben Pagan: Yes, any philosophy or any approach, paradigm or method of perspective – whatever – they really are technology. They can be used for good or evil. They have their positive and negative sides, and we humans love controversy. We love to be able to point something out and say, "That's good," or "That's bad," "I'd thought of that," or "I didn't think of that." We're weird like that. In this particular case, there's a really interesting set of models that a guy named Claire Graves created. He was a psychologist, actually a contemporary of Abraham Maslow who created Maslow's hierarchy of needs. It's a really interesting system that actually in a way is like another paradigm of the hierarchy of needs and in the hierarchy of needs, Maslow talks about having the basic needs of survival, then safety, love and affection, and higher needs of actualisation and so forth. I recently heard although I haven't really been able to confirm this in any way. I just read it, I think, in a book somewhere that at the end of his life, he said that actualisation is not the top of the pyramid, that actually there's a higher level which is transcendence where you transcend yourself and you go beyond, which I think is relevant to this conversation. But Claire Graves had a model that now has been called things like spiral dynamics but it's a multilevel model of how human psychology evolves, emerges and it goes through these different stages. There're roughly seven stages and the way that he figured this out was he asked people a set of questions about their values, he tracked them through their lives and he didn't make this up – he discovered that their answers followed like a ladder the steps of the ladder that they went through these processes and that they always went from one level to the next level to the next level to the next. They didn't jump and skip levels and that it was this kind of developmental psychology. Each one has a

different paradigm that transcends but also includes the other levels. It uses them as a support. A good analogy for this is the triune brain model that Paul MacLean came up with which is we have three brains in our brain. We have the ancient reptilian brain, then we have the emotional brain that grew over that in the mammalian brain and then we had the thinking brain or cortex that grew on top of that. Now, we've got that old physical brain, then we've got the newer emotional brain and then we've got the very new logical thinking brain. These are the three realms of life – physical, emotional and logical. What we see though is that the emotional brain had to grow on top of the ancient physical brain so it had to use all of those mechanisms, incorporate them and integrate them into this higher thing. So they're still there but now they're used in a different way and a different context. Then the thinking brain grew on top of that and so we're not rational creatures. We're emotional creatures that are actually these primal creatures that used the thinking brain for those ends. Whereas most of us had the illusion that our thinking mind is in control, it's actually just being used as a tool in an unconscious way by most people to meet the ends of the older brains. That's just kind of an analogy for it but this model basically says that we go through these different levels and we go back and forth between an individual orientation and a group orientation. Then we evolve. The Ayn Rand level is one of the levels in this particular system. In this system, it's the fifth level – level five of Claire Graves' system and an individual-focused level. It's the level of independence. It's very success-oriented and part of its value system is I can succeed for myself as long as I do it in a way that doesn't really directly harm other people. This is the level that has led to the industrial revolution, the me generation and all of this kind of thing in modern individuality. It's probably the largest part of our modern western culture. The level beyond this, the next level and this is the one that predictably once you've used that level up, once you've played that whole game – you start to realize that there's conflicts in there and there're contradictions. You start realising that “Hey, I thought I was just creating success for myself and not harming anyone but I never really looked at the bigger picture, and saw how it is harming other people and how there are issues with this.” The next level beyond that is the modern social, ecological green movement or green awareness and this is when you wake up and you say, “Wait a minute. We're all here on a round planet together and anything that I do affects everybody else. Other people are being marginalised for me to have success.” Because the conventional level or the modern level is this Ayn Rand level, that's where most businesses are at, that's where most people are at. They're trying to create success for themselves – the rights of the individual. When they hear the people that have evolved and moved onto the next level say things like, “Hey, things should be more fair. We should share more. We should distribute things more. We should honour the ecology and the planet more,” they look at them and they just say, “You're wacko! You look like you're crazy.” That's one of the other rules of this system basically is anyone that's at any different level from you looks like they're either criminal, wacko, insane, out of their mind. So they look at that level and instead of saying, “What's good in that? What can I learn?” they just say, “You sound like a hippy and a tree-hugger,” and they disrespect it. Unfortunately...

Adrian Bye: Before you go on, a couple of weeks ago actually after the weekend in Chicago, I went to Philadelphia and spent a couple of days staying with real old, old Amish people. Almost impossible to do and I managed to do it. It was amazing. What level are those guys sitting at?

Eben Pagan: I'm not really familiar with the Amish culture so I don't know. A danger here is of course making one sound better than another which there isn't. It's just a natural evolutionary process. It's like saying, “Is a child better than an adult?” It's just not on that level.

Anyway, the leading edge right now in a way is this ecological, social consciousness movement where people are waking up and realising “Wow, there’s more to this than I thought.” It’s not just me and you see it just sweeping. Now, it’s going through business with social entrepreneurialism and all these huge companies are leading the way by donating massive quantities of money, stock and whatever to charities and the thing – Bill Gates getting involved with running his charity. So we’re seeing this as a leading edge that’s showing up but there’s a lot of pain and challenge that comes going from one level to the next.

Ayn Rand is incredibly valuable because it helps people go from the level before the Ayn Rand level or this level five which is the communist Russia, let’s just say, which is hierarchical, the central planning – everything is rules and laws – a much less free mindset. So what Ayn Rand does is it helps people escape from that level. But you’ve got to go through that level to get to Ayn Rand’s level. Once you get to Ayn Rand’s level, which the world was ready for when she showed up, she put it in a way that just made perfect sense to everybody. She helped a ton of people evolve out of the level four and evolve into this level five but like anything else like a set of religious beliefs that are fundamental, a set of business paradigms or even a product that you have in business – if you get too attached to it and it becomes sacred, you don’t realize that there’s another level after it. As an example, most great religious leaders or teachers – they changed and evolved as they grew when they were alive, but when they died, their followers took that level that they were at, and kind of stopped and said, “No, this is the way it’s supposed to be forever.” Some new people will always break off and say, “No, no, no, we’re going to keep evolving,” and that’s why even religions branch out and grow because some people carry the torch and some people say, “No, no, it’s got to be kept this exact way.” So some people get stuck. They read Ayn Rand, they say, “She’s my new guru,” and they do everything that way. It works for them so they buy into it a little too much rather than realising hey, there’s a level that you can keep going to beyond that. Then even beyond the sixth level, there’s another one which maybe there’re a few percent of the population that are at which is where you really wake up and you become conscious. It’s like Einstein. I’ll use a few examples here. Einstein, Picasso, maybe Allen Ginsberg the poet – these are people who are bringing the seven level into modern consciousness and the theory of relativity did a lot for us, I think, because Einstein showed up and said, “Look, everything is your perspective. Where you’re at, at the moment you’re observing something – that’s just your perspective and all perspectives are partial. No one can ever know the entire picture. So let’s stop talking about absolutes. Let’s talk about perspectives.” Then you realize that there’re all these perspectives happening simultaneously and that your perspective and someone else’s perspective are always different, and that nobody’s right. You can only just keep learning more perspectives and there are multiple time intersections. You wake up when you get to level seven and you go, “Wait a minute. All the people I know, they’re all living their lives right now. They’re doing things and having conversations that are going to affect me down the road.” Complexity starts to emerge into the mix. You also stop sitting around the table like they do at level six and everybody having an equal say. You realize that everyone needs a voice but they also need leadership and they also want to have someone who’s more experienced making the decision about which direction to go – “Hey, I’ll be the leader for this thing and you should be the leader for that thing because that’s a different thing that you know more about.” Einstein – relativity, Picasso – you start seeing pictures that incorporate a hundred perspectives at once in the picture. When I first saw a Picasso picture and it’s like the nose from this angle, the eye from this angle and they’re overlaying on each other – I said, “It doesn’t make any sense. What’s going on?” Then I learned that Picasso was essentially a perfect realist artist when he was 16 or something and could draw or paint anybody.

Adrian Bye: Dude, you can't do this to me. I hate art and if you talk about it in this kind of way, you're going to make me start wanting to learn about it. I mean that makes a lot of sense.

Eben Pagan: This is what turned me on to it. You realize he's showing multiple perspectives at once and then you hear a poem like Allen Ginsberg's poem *Howl* which I'm no big fan of poetry but he's talking about all of these different things, all this imagery and one thing after another – one thing about the streets and then another about his feelings, another thing flying over here, and this, that and the other – all this stuff. Even though it's crazy and it sounds schizophrenic, there's something compelling, and it's because he's incorporating all of these multiple perspectives simultaneously.

This is starting to emerge and you see a lot of great business leaders, a lot of great thinkers right now are at this level and they're really saying, "Look, guys. We're on a round planet here. We've got to treat people better. We've got to have good leaders. We've got to stand up." Also at this level, this is where the individual identity or ego starts to face a big challenge. You start to deal with realising that it's not all about you and you start to have even more ego death. You start to have – "I'm part of the species. There were 100 billion people that lived before me," – that's one estimate that I read over the couple of thousand years that our species has evolved. "I'm just one of them and I have inherited what they figured out before. I could contribute to all the others." You see how it all fits together.

I don't know if that answers the question directly about Ayn Rand but it's very valuable. Her stuff was incredibly important to our species and to the development of our species. But like anything else if you get too stuck in it, it'll become your prison. Businesses right now, I see – my perspective at this moment is that too many big corporations have gotten stuck in the Ayn Rand mentality which is profit at all cost and turn a little bit of a blind eye to the effects that they're having in the bigger picture. I think as more businesses wake up and move to a higher level that we're going to see more awareness, we're going to see more serving our species, we're going to see more education contribution. Then as more people actually make that next jump up to the next level, when more businesses do, and use the internet to solve lots of problems and so forth, I think we're going to see a renaissance. I mean it's like we're either headed into something really scary with nanotechnology and it's going to be matrix type of situation or hopefully, we're going to see a renaissance version 2.0 which is what I'm hoping to try to help create in some way, and I think that these evolutionary levels of psychology could help make that happen as long as we don't get too attached to the one we're at, and we always seek the next one and help other people grow through theirs.

Adrian Bye: Who would you say are some people that are at this level seven today? It's almost like you have your own version of scientology.

Eben Pagan: Yes, the weird thing about it is Claire Graves – he just measured what people were already doing. He didn't invent this stuff, so to speak. He just codified what was already happening. A thing to make it more complex and confusing before I answer your question is that the developmental models of psychology are profound. I was talking to Nathaniel Branden recently. He was Ayn Rand's mate for a long time for many years and was her protégé. He went on to found essentially the modern self-esteem movement. He's thought of as the father of self-esteem and he wrote a whole bunch of books about it. He's a wonderful guy, brilliant guy. He said, "If I had to do it all over again, I would have studied developmental psychology. This is the area he would've gone into, like it's that profound and an interesting little connection through the pieces.

But developmental models are fascinating in that different parts of you evolve at different paces. You may have heard as an example the multiple theories of intelligence concept where IQ is just one equation. There are other types of intelligence like musical intelligence, physical intelligence or interpersonal intelligence. Well, you actually grow through the different levels of development at different levels with each. So you might be at level seven intellectually but you might be at level three physically or you might be at level five interpersonally.

You follow here?

Adrian Bye: Kind of like emotional intelligent type stuff.

Eben Pagan: Yes, exactly. So the different aspects of you are growing developmentally at different paces. It's a good idea to check them all and see where they're at. Bolster and work harder on the ones that aren't growing as fast because they actually work together. So when you say a level seven person, what do you mean? There might be a musician that's performing at level seven, level eight or something in music but when you sit down and talk to them, you realize that they're kind of a barbarian in terms of their interpersonal or their social level.

I would say look at the people that are like Bill Gates that are doing something that there's something about that, that just seems a little weird. Most people that are maybe not as fortunate as him...didn't have the opportunity, didn't take the opportunity, didn't get as lucky – they're "poor"...would look at him and say, "Yes, yes, yes, that's great but he owes that to the world because he's rich," or they marginalise it in some way whereas I look at that and I say, "There's something weird about a guy who's the richest guy in the world quitting making money and doing business, and actually going to work to make the world better, and dedicating his time and money to that. There's something about that, that's just a little weird. Why is he doing that?" I think if you look for that stuff then you'll start finding these people. Richard.

Adrian Bye: I've got to cut just to respond because I've read a lot of business history. You don't just think it's a case of getting tired and just wanting to contribute back. You do think there's something more to it than that?

Eben Pagan: Well, I think that he's probably done the Microsoft thing. He's like, "Alright, I'm done with that." No argument there. He's probably, "I want to get on to the next challenge." But the giving back piece is a very modern development. It's a modern concept in a way. It's not something that universally is something that you do. Maybe there was tithing in the past, someone begged and you'd give them a roll of bread that you baked or something like that. But it wasn't like an organised conscious thing that we all humans do together. It's only been recently that you put a commercial on television and you show a starving child in Africa, and people go, "Gasp!" they become motivated, they donate money to it and so forth. So this consciousness is just hitting us and I think that when you see something like that, that...I don't know...it doesn't make sense but you know it's the right thing. That's where you can tend to find people that are working a little bit higher level.

Adrian Bye: I remembered you mentioned something in an e-mail about something like political affiliations based on the level as well.

Eben Pagan: Politics is interesting in that there are many different political systems and my general perspective on politics is that most systems that I've looked at and this isn't my area of interest so I don't really know much about it, not even very much about our own which is probably a little ridiculous – I need to get a little more educated...

Adrian Bye: But you know the president, the senate, congress and stuff like that, right?

Eben Pagan: Yes, exactly. Our system here in America where I live was created by some guys that when you look at what they created and you just look at the bare bones, you realize these were some smart people.

Adrian Bye: Yes.

Eben Pagan: These guys really, really thought this through and worked it out. We have done a good job of screwing up some of the good stuff that they created in a way. The problems with political systems is that (1) in my experience, they tend to be very inefficient and there's often some kind of fatal flaw involved with them, and (2) they're also easy to manipulate. I've watched a lot of documentaries about politicians and how they do things. If you just start watching political documentaries, you'll see stuff that will just blow your mind.

Adrian Bye: I know that politics is an area you didn't want to talk too much about or do you want to keep talking about...

Eben Pagan: No, no, it's fine. I was just going to say I was going to recommend... I can't remember the name of the documentary. There was a documentary about this guy, Gony Sanchez, I think his name was. He's from Washington but he was the president of Bolivia. Fascinating documentary. I was really proud of them for being this open about it. They actually show the high-powered political consultants from Washington flying down to Bolivia with him, and they showed the focus groups and what the people were saying. Then they showed how they used that in the marketing on television. You would see them asking the questions and the people in the focus groups would give the answers. He'd be on television parroting back the things that they wanted to hear. You just get to see it but there it is. It's not about what's best for the people. It's not about what everybody really needs. It's about his listening to the words that they want to hear and then he's going on television. He's saying them and then he's doing whatever he wants. That's a generalisation, but you get to see how it works.

We've seen in our own system. Not too many years ago, we had a president who got a minority of the votes win over someone who got the majority and the whole thing is just shrouded in scandal. It never will be figured out, right? There's something going on there. So in a way, a lot of political systems are inherently corruptible, and I think we probably need a new paradigm there as well. Hopefully, technology will help us. Technology combined with these new levels of thinking and responsibility will help us do that.

I don't know if I answered your question.

Adrian Bye: What is it? Democracy is the best of the worst systems or something like that.

Eben Pagan: Yes, exactly. It's like democracy is the worst form of government in history other than everything else that you can try.

Adrian Bye: Yes.

Eben Pagan: Yes.

Adrian Bye: Yes, exactly.

Eben Pagan: Like anything else, there will be another paradigm that will go beyond democracy but it will include it. It will transcend it. It will take all the best from democracy but it will say, “Hey, we need a new paradigm because it didn’t address a whole bunch of things.” I think that all you’ve got to do is look around and you see something’s wrong here. The people that are making all the money and keeping it – they don’t seem to be adding value in the way that they should. People that aren’t making any money – there’s something a little weird right there. Something just doesn’t seem right and it’s never going to be perfect. We’re never going to live in an ideal system but I think we can keep getting better and better and better and better which overall I’m a long-term optimist. I think that humans have created miracles and we continue to do it. We do a lot of bad stuff as well that we need to learn how to not do but overall I see us getting better and better and better. Sometimes we have to have a little, let’s just say, humbling experience to help remind us that we’re not infallible and sometimes we have to see some very negative stuff in order to wake up. But I think we’re on the right track. I think a lot of great stuff is going to happen.

Adrian Bye: Well, I expected we were going to have a conversation about marketing and maybe split-testing, and talk about *Double Your Dating* and all that sort of stuff.

Eben Pagan: We can talk about split-testing if you want.

Adrian Bye: No, I don’t want to. I think I’ve never had a conversation with anyone on these interviews about philosophy, and I think this is very appropriate. So good stuff.

Eben Pagan: Awesome!

Adrian Bye: We’re pretty much out of time. Is there anything that you would like to talk about that we haven’t?

Eben Pagan: I don’t think so. I mean I understand that most of the people that are probably going to hear this are successful business people, entrepreneurs, CEOs – that type of folk and what I’d like to communicate to you is (1) if the stuff that I’m talking about doesn’t sound too wacky and it makes sense, down the road at some point reach out and connect with me, and let’s have a conversation about it because I always love to meet people that are interested in the same kind of stuff and (2) keep going – keep fighting the good fight. Let’s try to make this world a better place.

Adrian Bye: Eben Pagan, thanks very much for your time.

Eben Pagan: Thank you.