

Arlan Hamilton: I'm Arlan Hamilton, and this is Your First Million. I'm a venture capitalist. I started my firm Backstage Capital, from the ground up while I was on food stamps. I have now invested in more than a hundred companies, led by women, people of color, and LGBT founders. After having raised more than \$10 million, people often ask me how I did it. I created this podcast, so I could tell you my story, and so that together we could go on a journey and speak with some of the most successful people in the world, from all backgrounds and walks of life, to learn how they got their first million. And who knows, maybe I'll reach my first million in personal capital while I'm recording this series. There's only one way to find out, this episode is brought to you by Digital Ocean. Let's go.

Arlan Hamilton: Welcome back to Your First Million podcast. Wow. I mean, I knew that doing this podcast would be fun, would be informative, for me and therefore for other people, and it would be well worth the time and effort and, carving out this time, to do it in my schedule. But I can't tell you how much it's exceeded even those high expectations. It has been really wonderful getting to talk to people from all backgrounds because really it comes down to everyone is human. Everyone goes through ups and downs, and the people that I've been talking to at least are interested in paying it forward and teaching, whether that be with capital, or with their learnings, and it's just been very fulfilling.

Arlan Hamilton: Plus, your comments, and your sharing, and your rating, and your downloads, all of that is... I see every single one, and I really, really appreciate each one, and I hope to keep doing this. I hope to keep going. I want to take a special moment, I know we mentioned at the top of the episode, and we'll mention it again, but I want to say once more. Thank you to Digital Ocean. Before the podcast was even recorded, they stepped up and sponsored the launch of it, and I just wanted to thank them for doing that, I'm having conversations with some other companies about joining as sponsors, and I really appreciate that.

Arlan Hamilton: And, yeah, it's just that's been a really fun thing because, you know, we're talking about money on this show a lot, and I mentioned this in one of the episodes, but I was offered money to sell the show before we got started, to sell it in kind of a package deal or whatever. And I was going to do it, because it's a lot of money, but I thought, "Man, I'm having so much fun. I love being able to just own all of this, and be free to post whatever we want to post, whenever we want to post." And so, I've kept it indie for now, we'll see where it goes, we'll see what happens, we'll see who else becomes part of our family when it comes to who we interview, and this is just the beginning, we're only a few episodes in, so I can't wait to see this archive being built and see what comes of that.

Arlan Hamilton: I am excited to talk to you all about Dawn Dickson, who is the subject of this episode. I interviewed Dawn at my home in Los Angeles just a few days ago. Dawn's been to my home before. I've known Dawn for years now, because I am invested through Backstage Capital in two of her companies. One is called Flat Out of Heels and one is called PopCom. And PopCom, you'll hear about both of

them, but PopCom is what we're really focusing on in this episode. It's what she does day to day. And Dawn recently became the first black woman to raise a million dollars, in a crowd equity fund, under the certain regulation.

Arlan Hamilton: She even believes that she's the first black person, because we haven't been able to find a black man who's done it either. So if you know of the person who's done it before her, please let us know. But that's what we think. And so in any case, she's done something really remarkable. The way she did it was really interesting too. Because again, let's go back to this. Let's be real. It's not all about money, right? Like I mean, our theme song could be Jessie J's money song. It's not about that. It's about like what does money afford, what different things does money afford, and how do you manage money and not have it manage you?

Arlan Hamilton: So Dawn is like an open book. She keeps it real, real. And I think you'll enjoy this if you've ever wondered about crowd equity funding, just for any kind of company, or if you just want to know more about startups, and getting started, like that day one kind of thing. I think that's what a lot of people have asked me about, is that day one, "I have an idea how do I get going? What do I do? Why don't I know how to navigate?" She breaks it down for us, and she is very real, very raw. She does not sugar coat anything. And I think that, that's why I've bet on her twice.

Arlan Hamilton: She's the only company in our portfolio, the only person in our portfolio that we've bet on twice, in two different companies. We definitely try to bet more than once in one company, but this is a first for us. So there's a lot of firsts happening, and yeah, I'm just really excited for you all to get to know Dawn. She's a fighter. She's a survivor. She is someone who wants to take thousands and thousands, and hundreds of thousands of people, black people with her, if we're being real honest. And the same time, her team is very diverse, and she knows how to navigate these different worlds, and she wants to share that information with you all.

Arlan Hamilton: So I really do think that no matter what your profile is, what your background is, or what you do, what kind of job you have, I do think you'll get something from this interview. In a way that other interviews could be more focused on one lane, Dawn is breaking down life. She's giving you key. She has a podcast herself called Bars! She's dropping them left and right in this interview. So, get into this one and let me know what you think afterwards. I'll see you on the other side of that.

Arlan Hamilton: Tell me about PopCom. What is PopCom when you do the elevator pitch?

Dawn Dickson: Yes. PopCom is the automated retail technology company. We have a hardware and software solution for self service retail, which means we make vending machines and kiosks smart, using data and analytics.

Arlan Hamilton: Okay. So for someone who is living their everyday life, where would they see a PopCom? How would they understand what a PopCom is?

Dawn Dickson: They won't see it yet, but very soon this year you will see the PopShop vending machines enabled with PopCom technology in places like LAX, and other airports and malls around the country. So essentially we do for vending machines, what Google Analytics does for websites. So just tracking user engagement, user journey, demographic profile, conversion rates and things like that.

Arlan Hamilton: So is it an actual a physical piece?

Dawn Dickson: Yes. We have a physical machine called the PopShop that I invented, but our source is our software, so operating system that can also integrate into other people's vending machines and kiosks as well.

Arlan Hamilton: And I'm asking all these questions like I don't know, I do know.

Dawn Dickson: I know you know. You're an investor, you know.

Arlan Hamilton: I learned from a friend of mine named Scott Hanselman that you advocate for the listener, when you do your podcast.

Dawn Dickson: Thank you, that's good. I love that, because people have a greater understanding of what we do for sure.

Arlan Hamilton: Yes, so if I'm walking in the airport, and you trying to get from the gate to the baggage claim, and you see the Best Buy kiosk, and you see this and that, that's kind of what you are?

Dawn Dickson: Yes, it's just cooler looking machines, but certainly the same market as the Best Buy, in the benefit cosmetics, just more high tech, cooler, tech cooler hardware.

Arlan Hamilton: And what made you want to do that to begin with?

Dawn Dickson: I got into it because of my first business, which you're also an investor in, Flat Out of Heels, which are rollable ballet flats for women when their feet hurt. And my idea was that when women's feet hurt, they need relief now, on the spot. And the best way to deliver a product on the spot is vending machines. You know, even Amazon Prime, a hour ain't enough. It ain't fast enough when your feet hurt.

Arlan Hamilton: Right.

Dawn Dickson: So I said, you know, I want to get into vending machines, and then I realized that the vending machines on the market today, and they've been around since basically 1930, the same exact design, they're just not efficient. They're not cool looking, and they're not tech enabled. So, you know, I wasn't able to get the data that I needed to understand how my business was performing from the vending machine hardware, and software that exists in the market today. So, that's how PopCom came to life.

Arlan Hamilton: And speaking of your Flat Out of Heels, we saw Amaya yesterday, and the first thing she said to you was that she was at the club in Vegas, and she would have loved some Flat Out of Heels vending machine.

Dawn Dickson: I hear it every day. That's why I never gave up. I hear it every day.

Arlan Hamilton: And you hear it every day.

Dawn Dickson: Every day since 2011, that's why no matter what happens, I don't quit.

Arlan Hamilton: So you are a very industrious person, because you saw a problem years ago with mostly women, their feet hurt, and they want to switch out of their heels, and you provided a product for that. Then within that own product, you found your own pain point in getting that product out to people.

Dawn Dickson: Yeah, distribution.

Arlan Hamilton: So you invented PopCom-

Dawn Dickson: PopShop.

Arlan Hamilton: PopShop. Okay. So then the reason I wanted you on this podcast is, because you have recently had a milestone that is groundbreaking.

Dawn Dickson: Yes.

Arlan Hamilton: How do you describe that to people?

Dawn Dickson: You mean the fundraising milestone?

Arlan Hamilton: I do mean... well you've had... so they're so many.

Dawn Dickson: Several, you know, several.

Arlan Hamilton: They're so many, how do you-

Dawn Dickson: But I think the fundraising muscle and is the most notable recent accomplishment, which is just me deciding that I was going to go the nontraditional route to raise capital, to expand the business and decided to go the crowd funding route through Reg CF, which is CF, crowdfunding through Title III, which allows you to raise up to a \$1,070,000 per 12 month calendar year from accredited, and unaccredited investors to a general solicitation online.

Arlan Hamilton: So let's talk about that just for a second, because what people are used to when they hear the word crowdfunding, is Kickstarter-

Dawn Dickson: Indiegogo, yeah stuff like that.

Arlan Hamilton: Indiegogo, and that's really great, because when you do a Kickstarter, you can support someone, maybe a creative person, or even a company you can support them, you can get the product early, that sort of thing. But you do not gain equity in that company when you do one of those types of crowdfunding. Why is this different? This is relatively new.

Dawn Dickson: This is equity crowdfunding. Yes. And the way that I raised money actually just became legal in 2018 so last year, which allows you to... it's two ways. So I also did a token sale. I tokenized my cap table, which SCC allowed for tokens as a security, which essentially, it's the same as the share, but it's digital. So digital shares as a token. Like it doesn't really perform any other way other than, it's a digital share and you can put it in your digital wallet. So I decided I want to do it that way, because I'm forward thinking and I see the way that technology is moving, crypto is moving. It's not a crypto currency, it's not a payment, it's a token as a security.

Arlan Hamilton: This is why Bitcoin is a scary world.

Dawn Dickson: It's not a Bitcoin, you can't buy anything with the PopCom token, it is a security, like a share, is a token. So instead of getting a paper certificate, the way they used to back in the day where you buy stock, you get a stock certificate. This is a digital version of a stock certificate. It's a tokenized security, which is new. This is very new.

Arlan Hamilton: So you raised 1 million and what did you become?

Dawn Dickson: I did raise... you know, and it was very surprising and I was very happy that the community came behind me the way that they did. And we raised in... you know, we maxed it out, we raised 1.3 million actually, and only could take 1,070,000, and I became the first, I believe black person, they say black woman, but the first black person to raise over a million dollars in equity crowdfunding round in the world.

Arlan Hamilton: Right, which we are on the ground floor of right now. And you are the first and you can't take that away from you. How did you do that? That's the big question because first of all, people could put... and what was the minimum people could put in?

Dawn Dickson: The minimum was \$252 for my particular campaign. You can set your minimums.

Arlan Hamilton: Why did you decide on that number?

Dawn Dickson: I felt like 252, it is high enough to kind of filter out people that are not very serious. You know, it's not like \$50, \$20 but it's low enough that it's affordable for an every day worker. You know, a middle class person that wants to invest and wants to get into private equity because as you know, prior to this JOBS Act being passed in 2012, if you are not an accredited investor, meaning you make \$200,000 a year as an individual, \$300,000 a year as a couple, you cannot invest in private equity, privately held companies, you just couldn't. And then even if you did have that, most of the time in our communities, you don't have the network to get that access, so you can get the deal.

Arlan Hamilton: No you can't get in to every deal. Yeah.

Dawn Dickson: You know, so I keep seeing these things floating around about Uber. Somebody invested 5,000 turned 25 million. Well somebody had to call you and say, "Hey, you have 5,000 to invest."

Arlan Hamilton: Absolutely it was a very-

Dawn Dickson: Like, you had to have a friend to put you on to that deal.

Arlan Hamilton: And so this democratizes that.

Dawn Dickson: Absolutely.

Arlan Hamilton: And not only does this Reg, what is it C?

Dawn Dickson: Reg CF, under Title III of the JOBS Act.

Arlan Hamilton: Yeah. Not only does that start to democratize things, but it wasn't just like this thing was... First of all, there was years and years of getting it legal.

Dawn Dickson: Yes, years.

Arlan Hamilton: Right, there were so many people involved in getting it legal. But then once it was legal, you have to really have had to study and understand this in a way that you're almost... I mean you are an expert now.

Dawn Dickson: I spent a year studying it intensely and I did blog about the whole process on my medium blog, [medium.com/@DawnDickson](https://medium.com/@DawnDickson), to share the journey because it was not easy, but I knew and I realized I was doing something that's very groundbreaking, and at the same time, there was a lot of resistance from the traditional community. Of course not Backstage, but the traditional community was like, "No, if do you do this, we don't want to invest because we don't want all those people in your cap table." But there's only one line item on my cap table representing that entire round. It's very similar to a syndicate.

Arlan Hamilton: Yes. So there's going to be people listening, some people who are founders who totally understand what you're talking about. Some people who are just like, "I don't get this part of it. That's okay." Basically, what Dawn is saying is that usually when you raise money from investors, each person or each entity that invests in that company has one place on your cap table, which is the list of investors essentially. What some investors who are not as educated fear, is that when you do a crowd equity raise... or they say they fear it, I think they use it as an excuse.

Dawn Dickson: It is.

Arlan Hamilton: But what they say they fear is that, "Oh, you have hundreds of people in your cap table. That's too messy. That's too complicated." And what really happened in your case, and in a lot of cases that are done methodically and with forethought, is that it only represents one place on that cap table.

Dawn Dickson: Yes, there's one place on the list of investors that encompasses 2300 individuals under the same rules and under the same terms of investment, which means you don't have to deal with all the people, you deal with one body of individuals. And so yes, it's an excuse.

Arlan Hamilton: Yeah. So you had said 252 was the minimum, then how many people ended up investing in that 1.3 or that one that you count?

Dawn Dickson: Yeah, the million seventy that we actually could take out a little bit under 2300. We know we had about... an average investment was \$500, which we had probably about 10 people invest between eight and 10,000, like 10 individuals. And then the rest were really, you know, 250 to a 1000. And I love that, it's micro investors and it really shows is, and I'm very proud of, now we have 2300 people that invest in early stage tech companies.

Arlan Hamilton: Yes.

Dawn Dickson: Some people say there's no investors, or black people don't invest, or diverse communities don't invest, or people who don't have \$100,000 year don't invest, well, yes they do. And we're continuing to show that over and over again now.

Arlan Hamilton: Give me an example of someone who invested that didn't know you before, who you've met, because you're on the road show right now. You're talking to people, you meet people... You know, shaking hands, thanking people for investing at these different cities. Give me a profile of somebody who invested and what would they have known about Venture Capital or Tech Startups before and to-

Dawn Dickson: Definitely, and that's the great thing about it. You know, we did raise the money. I said I want to go out and I want to touch the people. I want to like meet them in person. I can't go to every city, but we're going to the top five cities from the campaign. And we had our first kickoff last month in Columbus, Ohio, which was Ohio was our number one state, which is where you know I'm from, which is amazing. And you know, a lot of people, they saw it on Facebook, we were crushing them with the Facebook ads and then they saw it on The Breakfast Club, which was an amazing exposure for me.

Dawn Dickson: But they saw the interview on The Breakfast Club, they became aware that they could get into early stage tech, private equity through this campaign. And you know, I'll give a woman that comes top of mind is a older woman. She's a career woman. She has her typical 401k and investments, but she's never invested in tech. She never Angel invested, because it's kind of intimidating to go give a stranger your money and go through the legal work, that you have to go through with doing an Angel Investment, and looking at term sheets when you're not that type of investor, what's a great thing about platforms like StartEngine is they do that work for you.

Arlan Hamilton: And StartEngine is where you did your-

Dawn Dickson: That's where I raised.

Arlan Hamilton: There're several of these platforms, and you chose StartEngine and it's worked out for you?

Dawn Dickson: Yes. So she saw The Breakfast Club interview, she did googling on me, seeing my story and she said, "You know, I want to support this young woman." Another person that comes to mind is a young lady, a very young woman in her early 20s, just out of college. Got her first job and you know, she's interested in tech, she wants to be a founder. She's inspired by me as a founder, and she's like, "You know, I want to get in on something." And someone tweeted me, a couple of weeks ago that I make them feel, as sophisticated as any investor in Silicon Valley. That touched me.

Arlan Hamilton: That's big.

Dawn Dickson: Because now that bridged the gap, like they have access to these deals because of course I have people on my cap table that are VC's. I bridged the gap between like everyday person and a VC and also the information that they're now privy to, I mean, I'm very transparent, of course raising money on this platform, all of your documents, your financials, your projections, they're public now. So, that's like I'm out there. But I wanted them to be able to see like, what does the term sheet look like? What does a Reg CF filing look like? What do projections look like? I'm educating people as I go.

Arlan Hamilton: And you don't have any insights into the demographics of your investors? I mean, except for what you've seen in person.

Dawn Dickson: From what I've seen and from what I can gauge, I can comfortably say I believe that about 85% of them are of African American, or black.

Arlan Hamilton: Really?

Dawn Dickson: But we have 12 countries and 42 states, represented.

Arlan Hamilton: Think about how impactful what you just said is. So of 2300 or so investors, who the average investment was 500, across 12 countries you said.

Dawn Dickson: 42 states.

Arlan Hamilton: 42 states in the U.S. you think 80% or so are black?

Dawn Dickson: Yes.

Arlan Hamilton: And, a lot of that did come from The Breakfast Club.

Dawn Dickson: It did.

Arlan Hamilton: I want you to tell me how you broke into getting on such a high profile platform.

Dawn Dickson: You know, I always reference back to like I've been an entrepreneur 19 years, and I've been building relationships for that long and you know, being a person of integrity, being out there, having my face in the room, all those things contributed to like what happened. But you know, from building a network of mutually beneficial relationships. A friend of mine, he works for Interscope, which of course The Breakfast Club is primarily like around music. And then there's other things, other platforms, politicians and such.

Dawn Dickson: But he really believes in what I'm doing. He also invested in PopCom, and he was like, "You know what? Let me try to get you on The Breakfast Club. You have a very powerful message." A lot of the culture, in the millennial culture, you could find them on The Breakfast Club and on The Shade Room. So I actually put... I was on both.

Arlan Hamilton: Okay.

Dawn Dickson: You know, I placed the ad on The Shade Room.

Arlan Hamilton: And The Shade Room is run by a black woman.

Dawn Dickson: A black woman, her name's Angie, placed the ad on The Shade Room, paid for it. And then I didn't pay for placement on Breakfast Club. It was through my network, but they believed, and I also have relationship with Angela Yee, but that the message of spreading and creating wealth in underrepresented communities is important for their platform.

Arlan Hamilton: And if anyone's listening, I mean, you're not going to really go from working at a nine to five to tomorrow you're doing a crowdfunding and raising a million. So you can't really go A to B, or A to Z. But you know, the number one question I'm asked, everywhere I go, number one question I'm asked, especially by women of color, "How do I get started?" What do you say when people say that?

Dawn Dickson: I mean, I just feel like get started. I mean, write it down. Just start to write it down. Like what do you want to accomplish? What are the steps that you're going to take? If you're not sure of the steps, go research people that have done what you want to do, and look at the steps they've taken. Because people like yourself, Arlan and me, we're very vocal about our journey. You can see our journey all over the place, now, what did we do? We started with writing the plan out, and then seeking out mentorship, being in the building, paying to go to conferences, sitting in the seats, before I was on the stages, I was on the seats. Before they were having me come speak, I was in line just to talk to the speakers.

Arlan Hamilton: Say that again.

Dawn Dickson: Before I was on the stages, I was in the seats, and I paid to be in those seats, and I invested in myself, and I invested in building my network, and I was always very deliberate and intentional with my networking, and what I wanted to gain, and what I had to offer.

Arlan Hamilton: What does networking mean to you?

Dawn Dickson: Networking means building mutually beneficial relationships that span time. They don't just happen instantly. It takes time. Even you and I, how long did we engage before you invested? Probably eight months of me just following up, and showing up, and supporting and retweeting and not just showing that I just want something from you, but that I can extend whatever I have to offer. And in a lot of times we don't realize or value what we have to offer, even a retweet. I mean I tell people, listen, if you couldn't invest in my campaign, you re-posting it, you touch somebody for me.

Arlan Hamilton: Right.

Dawn Dickson: That was value.

Arlan Hamilton: Right.

Dawn Dickson: So you always have something to bring to the table. But going to a situation, asking for something without paying it forward in any way, it doesn't result in real networking, and real relationships. And also, being offline... you know, online, I'm a little older, so I come from a time where-

Arlan Hamilton: What's older mean?

Dawn Dickson: I'm 40 years old, so I come from a time where there weren't cell phones, there weren't social media, you want to meet somebody, you need to go be there, you need to write a letter, send a card. And the value of showing up, and showing your face in rooms, is very powerful, especially when the gap is bridged digital. If you show up at an event that they're speaking at or support something or purchase their product or you know, anything you can do to support what they're doing, in this case, subscribe to your podcast, share it, that's impactful. So everything, like being very deliberate and intentional about like the value that you can bring.

Arlan Hamilton: Because that comes back around.

Dawn Dickson: Always comes back around, maybe not instantly, and maybe not from that person. You know, you give with no expectation of receiving from that person. I give and I know that what I give and put in the universe will come back to me from somewhere. Somewhere, maybe not from the person, somewhere. And it is proven to be that. So a lot of times we'll say, "So-and-so, they didn't support me and they should have. I expected them to support." I don't expect anybody to do anything. I just give from my heart and from sincerity in a place of being genuine and it always comes back to me, every time.

Arlan Hamilton: So I'm really excited about our sponsors for this episode, Digital Ocean. I spoke at their employee lunch a few months ago in New York City at their headquarters, and I was just blown away by their team, by their diversity in the

room, by their community. They built curiosity of thought there. It was really, really fun. And they are some really cool people. So when we partnered to sponsor and launched this podcast, I was stoked. Let me tell you a little bit about what they are, and who they are and what they're offering us.

Arlan Hamilton: So Digital Ocean is a cloud platform that makes it easy for startups to launch high performance, modern apps and websites, with simple, predictable pricing. No got you pricing, and a UX that developers around the world love, you can stop worrying about your cloud hosting and storage bills, and have more time to just focus on your business. We all need more time. So that's not all. They want to make it even easier for new businesses to launch apps in the cloud. If you're a startup, don't miss out on applying for their incredible Hatch incubator program.

Arlan Hamilton: Over 2000 startups in Digital Ocean's Hatch have received amazing perks like a year's worth of free cloud infrastructure credits, special events, prioritized support, technical training, and more. Learn more about Digital Ocean's global startup community and apply for Hatch at [do.co/backstage](https://do.co/backstage). That's [do.co/backstage](https://do.co/backstage).

Arlan Hamilton: What are the toughest times for you? What have been the toughest in this journey do you think? Not specifically necessarily, but what types of things are the toughest for you, because you seem very strong, together?

Dawn Dickson: I mean, the toughest is... You know, the first thing that comes to mind is of course running out of money. But even before that, it's like when nobody believes in it, and you have to just like prove it on your own, truly on your own. And it is tough. But you know, that's when I go within, because that's when you're like, "Do you really believe in this?" Like being self aware, "Can you really do this? Like if you didn't have the money would you still do it?" Because I run out of money several times, and I still did it. And that's how you know, like people say, "What should I do with my life?" Do what you would do if you didn't have the money.

Arlan Hamilton: I'll let them be silent for a second. So you all can take that in.

Dawn Dickson: I mean, because when I... We ran out of money and I still did it and I said I love this. And yes, it's hard because I don't have the funding to do exactly what I want to do, but I could do something, every day, I could do something small, and it may take me longer than someone that's raised 20 million because typically people in my industry of hardware, they raise like a minimum of 20 million. I still have only raised 2.5 which we're in a great place, and I own my business and I have control.

Arlan Hamilton: That's something really important to point out too, because we make a big deal about there's only been maybe fewer than 50 black women, I don't know the exact number today. But they've been fewer than 50 black women who have

raised a million or more in venture for their startups. And that's not a huge deal because you know, you're trying to go out there and get revenue and you're trying to do your thing. But it's big when you think about how much money is out there, and how much is being invested in your competition, and how you are supposed to be able to stand on the same footing as the next person who is getting the 5 million, the 10 million, 20 million to experiment and to take risk. And as Roberta Luca recently said on another episode, "To fail."

Dawn Dickson: Exactly.

Arlan Hamilton: And then get back up and learn from that failure. So when this moments where you ran out of capital... because what I want people to understand is a little bit about, just quickly your background, kind of where you came from, and you know that it doesn't just... you get the first... because you had a million, you raised a million in Venture.

Dawn Dickson: Yes.

Arlan Hamilton: And Angel and Venture, and then it doesn't just like change your life and your everything's perfect.

Dawn Dickson: No I ran out.

Arlan Hamilton: It's just the beginning. Yeah. So let's talk about a little bit about that and then we'll go back to just your early, early days.

Dawn Dickson: I mean, I think that's interesting because before I raised that money from VC and from Angel, and I was just like looking at this 10 black women that had raised the money and all of my peers of other races that have raised money. And I'm like, "I just want to raise a million, because I know once I raise a million problem solved." You know? I'm in there.

Arlan Hamilton: Because people hear \$1 million, and they're like, "Oh my God," for a company though.

Dawn Dickson: Yeah. And you know, when you think about what you're burning through, which is what you're spending every month, and what it costs to get your product out and the cost of failure. You know, the cost of making mistakes, building the wrong software, building something that doesn't work. Iteration, I've billed four versions of the hardware already, that is not cheap. So I got that first money, and I thought it was going to put me on a certain playing field, in a certain, you know category.

Arlan Hamilton: In certain arena.

Dawn Dickson: An arena, yeah. Like, "Okay, now I'm good." And in a way like it did, but it also shifted my mindset, because I feel now looking like in hindsight, several of the VCs that invested in me, invested in me just for a check box. Like, "Okay, here's a black woman. You said, we don't have diversity, here you go black person, we'll give her 50,000," but they won't give me the support and the follow on that I need. And what startups need more than money, is support and need advice and mentorship, and then they need to have that follow on capital to get them once they've figured it out, made the mistakes, they need to know they're going to be able to go on.

Dawn Dickson: Because for me, once I figured out all the kinks, I was out of money. So once I got it down to like now I'm ready to roll, I couldn't afford to pay my team anymore, and I couldn't afford to get my product built, and they left me... They were like, "Well, you tried it, we gave you the first amount of money." And I'm like, "But I got it figured out now. Now I know what to do and I have customers signed up." They're like, "Nope, we're not giving you any more money."

Arlan Hamilton: Yeah. And the context on that, you know, because I talk to so many different types of people, the context there is it does sound like, "You had a million, and that wasn't enough?" But you're talking about again, industry in a world where people have millions to work with, and if you don't have... it's almost like building a house.

Dawn Dickson: And then once you don't get a whole bunch of full time employees, and increase your burn, like the model... Like I keep saying one day I'm going to write a book called, The Hard Thing About Hard Things for People of Color and Underrepresented Communities, because we have different hard things.

Arlan Hamilton: That's a book that's out by Ben Horowitz already.

Dawn Dickson: No, Ben Horowitz has... I want to do like the version for us, because we have different hard things.

Arlan Hamilton: Yeah, the harder things.

Dawn Dickson: The harder things. So just like the shift of it. So it's like we have different struggles that we face, so yeah a million is a lot of money, I never will discredit that I was able to raise that first million. But again, I'm following the model they tell us, because the model they tell us is, raise this first million and see, we'll get a following. The percentage of women period of all races and percentage of black people period, that get follow on is so extremely low.

Arlan Hamilton: Yup.

Dawn Dickson: We talk about the numbers of that get the first check.

Arlan Hamilton: Yup.

Dawn Dickson: 0.2 and 4% of women get money, they'll follow on, is like, we don't even have these conversations about how much you don't get another check.

Arlan Hamilton: No, it's real. It's real.

Dawn Dickson: It's horrible. So I just knew like, "Okay, I got the first check as long as I hit my milestones and do what I said I was going to do with the first check, they're going to give me more." No. And that's where you die.

Arlan Hamilton: So when I walk into institutional investors, who are the people who invest in funds like mine, the number one thing I'm trying to get across to them is that the goal post for us is moved all the time.

Dawn Dickson: All the time.

Arlan Hamilton: And so these questions that we're asked, "Well, why didn't it work?" I was asked recently by a very, wealthy person, man. You know, "Why did you run out of money? Why did you run out of this?" I mean, just grilled, he said the words, he said "That's a startups' 101, that you messed up basically." And I just looked at him and I said, well, for him, he would have started on second or third base. So for you to falter at first base, for you to trip up at first base doesn't even register to him, but it's a reality-

Dawn Dickson: It is.

Arlan Hamilton: For us every single day, yet we persevere and yet we make our way. And this is what you've done here.

Dawn Dickson: Yes.

Arlan Hamilton: You've hacked your way and said, "You know what, I'm going to... this isn't working..." What did 2Pack say? "The old way wasn't working?"

Dawn Dickson: No. That's right.

Arlan Hamilton: You know. So this is the different way. What do you want people to take away from your journey in the last couple of years?

Dawn Dickson: I mean, my journey, first of all is of tenacity. Never give up. If you believe in it and you know it can work, it can, because all is in the mind, first of all, everything. And I definitely believe in the power of visualization and manifestation. I see it very clearly. I see myself raising the money. This is when, back in December, 2018, I couldn't afford an Uber.

Arlan Hamilton: You're talking about six months ago?

Dawn Dickson: Yes. December, 2018, I had used all my personal resources, all my money, to fund my company and keep building, everything I saved up all my credit. I was in L.A. I needed to get an Uber and I had to call my friend like, "Hey, this Uber \$6 can you call me an Uber?" And I still didn't feel bad, because at that time, I visualized myself raising as much money as I needed for my business. I see myself with it. I see myself doing what I'm doing today. I seen it so clear, like it was a memory. So that's the first thing.

Dawn Dickson: And the second thing is that, you know, I'm in Ohio, so you don't have to be in New York, California to do things. There's a lot of other markets that you can thrive in, that also are more affordable for you as far as cost of living and cost of talent, and then you can source everything you need from within your network and your community. And before we couldn't do that, we could get like advice and maybe talent, but you couldn't get the money because of the rules around investing. But now, and especially for black people, everything that you want to get... I have to say, underrepresented communities in general, people that people just turn their back on, because they don't look like them or they don't have the same education as them.

Dawn Dickson: You can go to your tribe, and you can get money from them. Because when the VCs turned their back on me for the follow one, I said... and they literally were like, "We're just going to count our losses, like we'll write this off."

Arlan Hamilton: Let's talk a little bit real quick because that reminded me, you know a really cool part of this is, when you go on at PopCom to do well, 2300 people are going to have a little extra change.

Dawn Dickson: That makes me feel so happy and fulfilled, that you know these early stage investors are working class people that I'm going to provide a return to. That's what I'm working for.

Arlan Hamilton: That's the aim.

Dawn Dickson: And it's always a risk. Any investment you make is a risk. Yes, this is a risk. Of course, I had to spell out all the risks on my disclosure document.

Arlan Hamilton: That 500 could go to zero, because that's just how it works.

Dawn Dickson: Because that's how everything works.

Arlan Hamilton: But how does it work if you do well they get moneyed up.

Dawn Dickson: I mean, I 100X, they 100X, I 10X, they 10X. You know, and really when I raised the money from the crowdfunding campaign, it was 8 million valuation. I turned right around and raised a Non-Dilutive Angel around at a 10 million valuation to increase the value of those people share. So they've already got an increase. They've already.

Arlan Hamilton: On paper.

Dawn Dickson: Yes, on paper.

Arlan Hamilton: On paper, they already have a-

Dawn Dickson: And they can't take it out... It's a 12 month holding period with the crowdfunding to allow me to just work with the money, just like allow me to do work, you know. And so, my goal, of course I'm creating wealth for myself, my family, my team members, my investors, and that's everybody, my community. And it makes me feel good that, I feel very strongly, that I visualize I see my exit. The exit that I'm looking at right now, out this window that I see, that there's going to be 2300 people that believed in me early, and they're going to be able to be like, "I put in 200 and now I got XYZ out of it."

Arlan Hamilton: Yeah. It's not like... You know, you're not going to be writing in cash, but it's going to be like, it's like a stock, or it's like something that you were part of, so you don't have to read about it anymore. You're a part of it.

Dawn Dickson: Yes.

Arlan Hamilton: What do you fear? What pressures do you have when you have 2300 people counting on you in that way?

Dawn Dickson: You know, I don't have any fear, but the pressure, the responsibility is to keep them informed and educated.

Arlan Hamilton: Okay.

Dawn Dickson: Because a lot of them are not sophisticated, or educated investors, many of them, this is their very first investment in their life, period. So what I do, is I never keep them in the dark, but you're my investor, I don't keep my investors in the dark in general, but what we do is we record and film everything. And I use my YouTube channel to keep them informed on what we're doing, what their money is paying for. Because they want to know where our money at? Where's my return? This is what I'm doing. Filmed us going to China, filmed us having team meetings, record the team so you know who's on the team. You know, I'm recording when we go to Colorado for our manufacturing meeting. I

want them to be there. They're part of the journey, but I want them to feel like they're part of the journey, and I'm including them, which is never really done.

Arlan Hamilton: I mean, in my view, just listening to you talk about this, that 500 is an investment and just the education alone and understanding, and if you get something out of it, great.

Dawn Dickson: And then this meeting briefs. Like I told them, don't come to meet and greet me. I'm putting you in the room with a 100 other investors.

Arlan Hamilton: That are in your city.

Dawn Dickson: In your city, and a lot of founders who invested in my crowdfunding campaign. I said, "Listen, you invested 250, you bought yourself a ticket to a room full of Angel Investors."

Arlan Hamilton: Uh-oh, uh-oh.

Dawn Dickson: They're here. So don't focus on me, focus on each other. Network horizontally. And that horizontal networking increases vertical advancement. We build up together. We don't have to reach up and say, "People on the top, please help us," no, we build horizontal. I tell people, "You go to a conference, the people you need to talk to, a sitting in the seat next to you. Talk to them, build up." You know, my friends that I'm friends with now been friends with them for 10 years, they're successful now, they weren't when I met them.

Arlan Hamilton: Right.

Dawn Dickson: We've been grinding.

Arlan Hamilton: And Issa Rae says that.

Dawn Dickson: Yeah. We've been grinding, just so happen we all got it together now. We was on each others couches.

Arlan Hamilton: If you think about PayPal Mafia, the Spielbergs, and all the people that are riding high right now, somebody had to start somewhere.

Dawn Dickson: They were grinding together.

Arlan Hamilton: What did Pamela Jolly says, she said, "Wealthy people own things and collaborate."

Dawn Dickson: Yes.

Arlan Hamilton: And this is exactly what you're describing right now.

Dawn Dickson: Yes.

Arlan Hamilton: Just before we wrap up, talk to me a little bit about your early, early days, so people can put two and two together and see where that grit came from.

Dawn Dickson: Early, early?

Arlan Hamilton: I mean, where were you born? What kind of family-?

Dawn Dickson: Born in Columbus, Ohio. You know, not rich at all. Went to public school, loved public school in Columbus, Ohio. Went to Ohio State University, studied journalism. Then I went to DeVry, I wanted to learn tech skills, went to DeVry, I wanted to go to a technical college to learn tech skill. I didn't go to Stanford, I went to a technical college that I saw on TV. You want to learn tech skills?

Arlan Hamilton: DeVry is still going right?

Dawn Dickson: DeVry is still around. And I've got great technical skills from DeVry.

Arlan Hamilton: And you appreciate DeVry.

Dawn Dickson: I appreciate DeVry.

Arlan Hamilton: So anyone who has a contact to DeVry, I think you need to be on a commercial. I think you need to be on a commercial for DeVry?

Dawn Dickson: Really?

Arlan Hamilton: Absolutely.

Dawn Dickson: I've got technical skills there and I started my tech career, I started my first tech company in 2001, in the very beginning of people doing online media. I sold advertisement and emails and so I've been entrepreneur at some capacity my entire adult life. Starting from my first business, as a small tech company with a partner, as a consulting company, just always staying on top of like digital marketing and the movement of, you know, I was a growth hacker for a while. So it's like, I just always loved the freedom.

Dawn Dickson: Nothing was handed to me though for sure. Never was handed to me, didn't come from wealth, didn't have wealthy family members. But I did always see the value in networking, and the friends that I met in college at Ohio state, those are the first Angel Investors in Flat Out of Heels, my peers. So I've always gotten money from my peers, but they were accredited, because they were

doing well after college. And so I think the most important takeaway from my entire life, is the value of treating people well at all levels, and the value of seeing people for people, and not for what they can do for you at the moment.

Dawn Dickson: You know for another example at the meet and greet, a girl from elementary school had invested, and she was there and I hadn't seen her since elementary school, and she remembered me from elementary school. Like, "You were always just such a leader." And I'm like, "Wow." So you never know who's watching. But I always treat people well, and with respect, from the doorman, to the CEO, you know, from the janitor to the CEO, because first of all, we've all been in all levels of life, and you never know where that janitor could be. And so I just never looked down on anyone.

Dawn Dickson: I never felt like I'm better than anyone. And then I'm always very persistent with my networking and keeping in touch. You get my updates, my newsletter.

Arlan Hamilton: Absolutely.

Dawn Dickson: I send update at least every quarter to 500 people that know me and they just let them know what I'm doing.

Arlan Hamilton: Yes, yes.

Dawn Dickson: You know?

Arlan Hamilton: If you are someone who is listening to this on your work break at the call center, your work break at the DMV, et cetera, what kind of hope do you see for the future? What is technology affording us in the future, if we are not already in it?

Dawn Dickson: I mean, I always tell people, you know, technology and tech companies have the same needs and service needs as other companies. So if you have a skillset that you're applying to the call center, I mean we need customer service for our tech company. We have graphic design, we have marketing. These are not all technical skills. It's a company. We have HR, my HR person has no tech background. You know, my avid content director. Like all these people are not... they didn't go to school for tech, but they're working in tech, and they're continuing to expand their knowledge, and be exposed to more things by being in a tech environment.

Dawn Dickson: But whatever skill set that you have is certainly translatable in the tech company, in a tech environment. And then you get into that company, you see it like, "Okay, where do I fit in? Okay, I like this." Take a class on it, read about it, go to a workshop. The coding boot camps are popping up everywhere and they're very, very good and effective. I hired someone out of a coding bootcamp.

Arlan Hamilton: Yes.

Dawn Dickson: He didn't have a coding background initially, but he had a very strong background in the arts. He is a great communicator and he has a great persona, he's a great human being and he learned how to code in a bootcamp. All right, I want you on my team because I like you on a human level. Any skill can be taught, culture cannot be taught. Being a decent human being cannot be taught. So that's what I hire first, like culture. But the coding boot camps go to one. They're in every city now and just get in where you fit in, study at night. Udemy, take classes on Udemy, take classes on what's the other free education platform that my daughter does?

Arlan Hamilton: Lynda. There's Lynda.

Dawn Dickson: They're so many.

Arlan Hamilton: Yeah. They're so many.

Dawn Dickson: But you got to invest in yourself. You know you have to do the work. You can't just sit around and be like, "Oh, I want to do it. What should I do?" Start right now. Today when you get off work, go watch something and learn. Get a book, do something, read a book, google.

Arlan Hamilton: Google with your friend. Yeah.

Dawn Dickson: Do something.

Arlan Hamilton: Yes.

Dawn Dickson: Your skill sets are transferable.

Arlan Hamilton: It can be at any level. Investing in yourself doesn't mean having thousands of dollars to invest in yourself, it means any level, any time.

Dawn Dickson: Timing is investment.

Arlan Hamilton: Time, yes. And then finally, what is next? What is next for you?

Dawn Dickson: Next? Getting the product out. You know we have these 2300 amazing individuals that invested in helping us to get the product out, fund entire new development, which my product was stolen last year. That's a whole nother podcast. But had to rebuild it from scratch again, and that is done, and we've completed that, rebuilt the cards, rebuilt the machine, it will be in the United States from China in August, and we're mass producing it in the United States. And so that's the next step. So you know, fulfilling the customers. Because the

interesting thing about PopCom, we never had a problem with sales. I've had to refund six customers money because I'm like, "I can't give you your product today."

Arlan Hamilton: I can confirm that cause I was there.

Dawn Dickson: Yes. You told me and I did do that.

Arlan Hamilton: You did it.

Dawn Dickson: That was hard. That was hard to refund that check. I did not want to.

Arlan Hamilton: I think that's the networking situation, because that's going to come back for you.

Dawn Dickson: I hope it does.

Arlan Hamilton: But the point of that is you had people, big companies-

Dawn Dickson: Giving money.

Arlan Hamilton: They want that product.

Dawn Dickson: It's never sales.

Arlan Hamilton: You just couldn't afford to build it and get it out, because it's such a huge undertaking.

Dawn Dickson: Yes. It's called nonrecurring engineering costs, NRE, and it's the cost you pay up front, that you never pay again. So it doesn't go on to your longterm burn, but you might pay 250,000 just to get a product out that's going to cost you 5,000 to make again. Just the first one costs that a quarter of million dollars, and that's where I was at, and I didn't know, because you don't know what you don't know, and so you're right there and it's like, "Oh shit, I didn't know this. I didn't raise enough money, because I didn't know."

Arlan Hamilton: Well, I hope that... I'm very proud of you and I'm excited about your product going out.

Dawn Dickson: It's coming.

Arlan Hamilton: And I hope that one of the other things that's on your horizon is that book. You said you were thinking about writing, because, you just taught everybody a lot of things. And, I think it's what's missing in the market right now.

Dawn Dickson: I have my podcast which I'm working to grow, Bars!.

Arlan Hamilton: How do we see you? So it's called Bars?

Dawn Dickson: Bars! B-A-R-S!

Arlan Hamilton: I'm not going to be upset that I haven't been invited to it, to be on.

Dawn Dickson: I know because we haven't had guests yet. We have Brian as a... But we're going to talk-

Arlan Hamilton: You had Christy on.

Dawn Dickson: I had Christy, you weren't available Arlan.

Arlan Hamilton: My business partner on there.

Dawn Dickson: She was, "You know Arlan is a rockstar, if she may even be available, I could like get her autograph, and just be like, I know Arlan. No, I do. She's on my cat table. She's on it. I promise you I know, Arlan."

Arlan Hamilton: Yeah.

Dawn Dickson: But yes, when I get it back rolling, because you know, my number one priority is building a business. But the podcast is coming. It's on Apple and Spotify now, under Bars!

Arlan Hamilton: There's archives, right?

Dawn Dickson: Yes.

Arlan Hamilton: Bars! By Dawn Dickson.

Dawn Dickson: Yes. By Dawn Dickson. And then I'm on all social media under Dawn Dickson, D-I-C-K-S-O-N. And I'm always giving out game. I'm so passionate about it. My medium blog is, full of gems for you for free. You know, I'm so passionate about sharing this information.

Arlan Hamilton: We'll make sure to link to all that on our website as well.

Dawn Dickson: Thank you.

Arlan Hamilton: But listen, this has been wonderful. I know we have chapters and chapters to go, so I'm excited to keep checking in with you, as you go and I really appreciate

the groundbreaking work that you have done. I don't think people get it yet. I don't think people understand just how big this is.

Dawn Dickson: The first million from the public.

Arlan Hamilton: Yeah. I think that's going to be really interesting. And so, thank you for letting me be part of that journey with you.

Dawn Dickson: Thanks Arlan.

Arlan Hamilton: And thanks for coming back.

Arlan Hamilton: Hey, so I'd love to talk to you and keep the conversation going. Find me on Twitter and Instagram @Arlinwashere. That's A-R-L-A-Nwashere. Stick around too, because I will let you know when my new book is going to be in pre-order. Now that's coming out in 2020, it'll be out, as a real book. Oh my goodness. And you'll be able to pre-order it most likely this year. So stay tuned. I'll let you know all about that on Twitter, on Instagram and on this podcast.

Arlan Hamilton: Thank you again to Digital Ocean for sponsoring this episode. If you are interested in sponsoring an episode of Your First Million, get in touch with me, right it's so easy to do so. You just email me at Arlanhamilton@gmail. That's A-R-L-A-N-H-A-M-I-L-T-O-N@gmail.com, and put in the subject that you want to... that you're thinking about sponsoring, and I'll give you some more information. This is a really highly engaged audience. Really, really, educated either through traditional means, or through grit and tenacity or a little bit of both.

Arlan Hamilton: And yeah, these are the people you want to be talking to. You got aspiring founders, you've got in the trenches founders, you've got aspiring Angel Investors and active Angel Investors. You've also got venture capitalists. You've also got limited partners. And then you have people who are listening in to learn all about what all of that means. And so it's a really interesting group of people. Check it out.

Arlan Hamilton: Thank you again, Digital Ocean for sponsoring. Your First Million is produced and edited by Anna Eichenauer, and senior producer Brian Landers, additional audio mixing and mastering by Alfred 'Rook' Hamilton. Additional production by Chacho Valadez, executive producer, Arlan Hamilton.