

How to Start Your Dream Business This Weekend, According to a Tech CEO Worth \$36 Million

Noah Kagan shared how he started AppSumo, a “Groupon for software,” in one weekend in a new podcast episode. The startup cost was \$60; AppSumo earned \$80 million last year and Kagan is still its CEO.

In 2010, Kagan was 28 years old and had already experienced what it was like to be the 30th employee at Facebook and the fourth employee at personal finance app Mint.

“I think I just felt insecure at some of these places,” Kagan told fellow entrepreneur Jeff Berman in a June episode of the “Masters of Scale” podcast.

[embedded content]

Kagan was fired after nine months at Facebook by Mark Zuckerberg and later fired from Mint, too. He realized that dedicating his time to his day job carried a risk – another person could decide to let him go at any time.

Related: The Author of ‘Million Dollar Weekend’ Says This Is the Only Difference Between You and the Many ‘Very, Very Dumb People’ Making a Lot of Money

“I think I wanted to prove that I’m smart or prove that I’m successful or prove that Facebook when they fired me, and then when Mint fired me, [that] I can do it,” Kagan said.

The idea for AppSumo, a marketplace of software deals for small business owners or solopreneurs, was born when Kagan thought there was a way to promote software tools and also get paid for it. He saw that the site MacHeist gave Apple users discounts on software bundles and wanted to try making the same type of discounts available to a broader audience.

“My interest was letting the geniuses create software, and my skill and my excitement is promotion,” Kagan said.

The business came together in about 60 hours. First, Kagan found software he wanted to sell: the image-sharing service Imgur. He cold-emailed Imgur’s founder on Reddit and got approval to sell a discounted version in exchange for a cut of sales.

Related: Here’s Why Reddit Turned Down an Acquisition Offer From Google in Its Early Days, According to Cofounder Alexis Ohanian

The next piece was meeting with Reddit’s founding engineer to ask for free advertising. He got that too.

The final part was paying a developer to create a website with a PayPal button and purchasing the AppSumo.com domain name.

What was the total cost to launch the business? \$60 and one weekend of his time.

AppSumo made \$300,000 in the first year, and \$3 million in the second, Kagan said in the podcast. It brought in \$80 million in revenue last year.

Kagan now has a net worth of \$36 million.

Kagan said that the crucial part of business was being invested in the problem and getting excited about it.

Related: This Flexible Side Hustle Is Helping Millions Earn Extra Cash – and Might Be ‘More Attractive’ Than an Office Job

“I think that’s the thing in business people are kind of missing out,” Kagan said. “They’re chasing AI now or chasing being an influencer. I think find areas [where] you’re like, I don’t know if I’m going to ever get tired of this.”

Starting a side hustle or finding an extra source of income has an upside – according to Kagan, you have more control over your future.

“If you can just give up 30 minutes a week, if you can just give up one Netflix show a week, if you can give up one thing a week, and you keep doing it weekly, eventually you can have that business,” he said.

Related: This Is the Winning Formula for Starting a Successful Podcast, According to a New Analysis

<https://www.entrepreneur.com/business-news/how-to-start-a-business-this-weekend-appsumo-ceo-noah-kagan/477040>