

EPISODE 1414**[INTRODUCTION]**

[00:00:00] JM: Online Poker was deemed illegal in the United States 10 years ago. Since then, poker has decreased in popularity, and then found new invigoration thanks to live streaming, and a large volume of board gamers looking for something to do during the pandemic. Poker is a strategy game that can be played even without the financial element. And Clubs Poker is a free to play, web-based poker client that grew significantly over the last year.

Taylor Crane is the founder of Clubs Poker, and he joins the show to talk about the past, present and future of online poker, as well as the engineering around his platform Clubs Poker. If you are interested in sponsoring Software Engineering Daily, we reach over 25,000 engineers per episode, and 250,000 engineers per month. If you are promoting a product or looking to hire engineers, Software Engineering Daily can be a great place to get your message out to a large populace of experienced engineers.

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[INTERVIEW]

[00:01:07] JM: Taylor, welcome to the show.

[00:01:08] TC: Thanks, Jeff. Thanks for having me.

[00:01:10] JM: You work on Clubs Poker, and it's worth first talking about why it makes sense to start a poker site in the United States, given that online poker is basically illegal for the large percentage of users. So, some history, why did online poker get shut down in the United States when it had been so popular for some period of time?

[00:01:38] TC: So, that's a great question. So, online poker was shut down in the US, actually, 10 years ago, exactly. It was infamously called Black Friday. I remember it very, very clearly. I

was a senior in college playing poker religiously. And log on one day to Full Tilt Poker and the site doesn't load. I go on the homepage, instead of seeing fulltiltpoker.com. We see, I think it was like the badges for the Department of Justice, and the FBI. You just immediately knew something bad had happened.

So yeah, it turns out that out of nowhere, the three top online poker sites in the US were shut down. It was PokerStars, I think was PokerStars, Full Tilt Poker, and Absolute Poker. The FBI basically threw the book at them. They utilized a law that was passed in 2006, called UIGEA. It stands for the Unlawful Internet Gambling Enforcement Act, and they charged these sites with a litany of just bank fraud and money laundering charges.

Interestingly enough, they did not charge them with operating an online poker site illegally, let's say, because operating online poker site or playing poker online itself is not actually illegal. What they charged them with was the processing of gambling transactions. Not only did they charge these three online poker sites, but they actually also went after the banks that were processing these transactions too. So, that was a little history.

[00:03:04] JM: And so, given that history, it remains illegal to play poker online in most contexts. I know there are some limited ways in which you can play online, like I think in Las Vegas, maybe some other states, you can also play poker online. But for the vast majority, I think that require certain licensing. But I know that right now, you're not focused on that direct route of just allowing people to play poker and collecting a rake. So, if you can't gamble in normal ways, what are the routes to monetization that you're considering for the business?

[00:03:45] TC: Great question. There were a couple of things in there. Just to reiterate your point, in the US to play poker online, it is very, very difficult to play poker online rather for real money is very, very difficult. There are I think, five states in the US where it is legal, Jersey, Nevada, Pennsylvania, a few others. Effectively for the most of the US, you cannot. Then so segue to Clubs Poker, Clubs Poker, you're focused on creating the simplest and best experience for groups of friends to play poker together online, and we are entirely play money site. So, there is no way for you to deposit money, or withdraw money, or gamble any way using our software.

So, to your point, we cannot therefore, build a business model off of taking a rake from the poker game as a typical online poker sites do. This sounds like a constraint in some ways, but it's actually an opportunity because it forces us to invent a new business model for poker and see how far we can get. I think the poker industry today has proven that you can, of course build a profitable business off of rake taking. For the mathematicians out there in the world, I think of this as perhaps a local maximum. I see a much bigger or more global maximum by pursuing and optimizing for the social experience around the poker table and building a business model based on that. For us rather, it works like a freemium experience where you are upgrading for advanced features, virtual goods, charging for big, big poker events, et cetera.

Yeah, I think a lot about this question. And by the way, this is not to say that, like, in the future, I think there's definitely opportunity for clubs to offer real money settlement, particularly utilizing crypto. No, I don't think we're there yet. But yeah, I mean, I think like the broad question that I asked myself is, if the game of poker was invented today, like we had no concept of poker in casinos, it was just literally invented today. And we saw, for the first time in our lives, we saw 52 very strange cards in a deck. What would the business model look like for that game? And I think it will look more like Fortnite than it does like a casino. And so that's what I'm trying to build this one on.

[00:05:49] JM: How is the public desire for poker these days? It seems like the game fell off in popularity for some period of time, but it seems like the popularity of the game has come back to some extent. How does it compare to the level of popularity that it was at in, what was it, say 2004, 2005, when things were really popular?

[00:06:15] TC: Yeah. There are a lot of ways to measure or to try and answer this question. One of my favorites, actually, is simply look at the number of entries in the World Series of Poker each year. The Reuters of poker is kind of like used as a barometer in the industry for measuring the health of the game. And you're referencing 2004, which was during the initial poker boom, right? We had the moneymaker boom in 2003 that extended to '04, '05. I think it peaked in like – yeah, probably did peak in 2011, which is when Black Friday happened, and online poker in the US was shut down. There was a valley, right? So, popularity begins to dip. And then over the last five or so years, it's come raging back.

So, again, on the metrics, specifically of like Reuters of poker, participation each year, in 2019, it was right at the same level as it was in 2011. And then, of course, COVID hits. So, it's a bit hard to measure the last two years. But then you look at what happened in COVID, and you will get the increased traffic for all the online poker sites around the US. And then you also look at, what's happening in the US, for players that are finding ways to play in the US, particularly online, particularly in private clubs. And where there's a will, there's a way, right? So, it is happening, and it's happening more than ever. And then for Clubs, specifically, our own traffic numbers point to the increased popularity over the last 18 months or so as well. I think there's a very bright future for poker. Yeah, we just got to architect it in the right way.

[00:07:36] JM: So, I'd like to talk some about actually product development in an engineering, which is mostly shows about and we'll go back and forth between that and the actual ethos, and the culture and the poker landscape. But what I found interesting about Clubs Poker, was there had not been, as far as I know, a popular web-based client for playing poker. All the clients that I had seen in the past were binaries. They had to download. Why hadn't there been a web-based client for online poker for the vast majority of the game's existence?

[00:08:17] TC: A great question. And to add more context, for those that might be less familiar with playing poker online, you have to download desktop software, right? PokerStars or GG poker, et cetera. you're downloading desktop software. I think the reason for this is actually quite simple. And it's that when online poker was first created as a concept, in the early 2000s, I think 2002, it was created, you know, naturally speaking, because of the times it was created as a desktop app that you download, and then there has just been zero technical innovation in the space since then. It's like once you're a business and you're a cash cow, you can kind of just sit back and relax until of course, there's a shakeup. I think there has not been a meaningful innovation or technical shake up in the online poker space since it first emerged in the early 2000s. I think that's the simplest explanation. I think it's also truest.

[00:09:07] JM: Is there any advantage to having a web-based client versus desktop client?

[00:09:15] TC: There are certainly plenty of advantages in 2002. Today, I would struggle to think of – I mean, I can think of plenty of disadvantages. I mean, my background is in the web. And so, I'm probably not the best person to speak to this. But there might be like, certain lower level

processes or just like network functionality you might get access to as a desktop application. But by and large, it's completely unnecessary. I mean, yeah, even like the desktop apps today, like Slack is a desktop app, right? But it works over the web. I think just uses electron. So, my short answer to that, I think is no. I think it's just a function of legacy software and not being pushed to innovate.

[00:09:57] JM: I think a lot of people wanted their earliest programming experiences is to make some kind of game and like a toy, maybe a toy poker game would be a good common game that people might make. But of course, taking a poker game and actually making it production ready and high quality is significantly more difficult. What are the hardest engineering problems inherent in building a poker client?

[00:10:26] TC: Building a poker client has been the most humbling technical challenge of my career. I also want to asterisk that my background, by the way, is in product management, right? So, I can code poorly, but not an engineer and not architect Clubs Poker. I work with a very talented team, but I can still speak to it.

So yeah, the most humbling technical challenge of my life, it is relatively straightforward to build a working poker application that where you can click buttons, and you can make bets and checks and resolve hands in like test environments, if you will. But when you shift to production, and you actually start scaling, it's like the tip of the iceberg, right? The amount challenges you're exposed to, when you're dealing hundreds of thousands, or millions of hands a month are just like, yeah, just completely different level.

Some of the technical challenges that I think are most interesting and the hardest, and there were the most interesting that we've had to deal with. So, it goes without saying, but like all sorts of concurrency, and network related challenges. It's funny, it's like when I first started working on Clubs, building a poker app, specifically, I didn't think of it as I'm building a game. For summary, I don't know why, but I just didn't think of as building a game in the same way that like Call of Duty is a game. But there are a lot of common challenges that one has to solve. And any game developer, I think knows how to deal with concurrency challenges and network network challenges, like latency stuff, like the back of their hand, much less so in the web

development world. If you're building a typical CRUD application, you just encounter those kinds of challenges much less frequently.

So, those are two high-level examples. To get a bit more specific, like, we have to make sure that it's an event driven architecture, by the way. So, every client is sending actions to the server, and the server is taking its own actions as well. And those actions are sitting in a queue. We have to make sure that every single event is processed in the right order, so as not to cause any kind of concurrency issues. We have to make sure that every client receives every game state update in the right order as well. Because the clients rely on those games, they update in the right order to animate correctly between and transition correctly between state updates.

So, those are two challenges we faced over the last year. And then just generally, like trying to account for like all sorts of network latency issues, like dropped connections, or shoddy internet connections, and you have to have fallbacks on fallbacks to make sure the game continues to run smoothly, right? If you're playing with 10 players, and one player has a shoddy connection, you don't want the game to be held up because of that player's Internet. You have to have fallbacks and think for these edge cases.

By the way, it's like we are still working on these challenges today at Clubs Poker. They are far from solved. And I'm not sure if they'll ever be fully solved. But as we scale, we'll continue to make more progress on them, and I'm sure we'll also encounter new challenges too.

[00:13:05] JM: How are you managing your engineering team, especially with the – I guess you have some experience as an engineer, but I think it's always interesting to talk to people who are not fully trained as computer scientists or engineers, and they're learning the ropes of engineering while managing an engineering team. What's been your process for learning those ropes as an engineering manager?

[00:13:29] TC: Yeah, so a bit of context in the team. We're a very young company, right? So very small team. It's just two engineers, and myself, Sergio, and Mike. They're both full stack engineers, fully autonomous, highly technical, very senior engineers that I have a lot of trust in. And so, it makes my job quite a bit easier, because I have full trust, they dive in and do what they need to do. My background is in product management. So, I have plenty of experience,

sort of tightly managing timelines and engineering teams in the context of feature development work. So, I'm able to leverage plenty of those skills here as well.

I mean, to speak more broadly, to your question about like, as a non-technical person working closely with engineers as a PM, and then now actually, effectively managing these engineers. It's been a journey throughout my whole career. I started out entirely non-technical. I couldn't even have told you what JavaScript was. And throughout time, I have learned to code myself. I've built multiple applications myself that have been shipped to production, some of which are even generate small amounts of revenue. And through that experience, I'm able to sort of talk the talk and actually was more important than talking to talk, I think, is through these experiences myself of building my own applications, shipping them to production, just earning the respect of my engineering team, and that has gone so far, right? Because now I'm seen as a peer and not someone who like, "Oh, you don't know what we're talking about. You can't possibly relate to software engineering challenges." I think that's probably the biggest benefit or the approach that I've taken at least over the last few years.

[00:15:01] JM: Can you talk about the architecture?

[00:15:05] TC: Yeah, I mentioned it briefly. So, just to sort of start a high level, it's an event driven architecture. So, every player at the table is taking actions and the server and submitting those actions to the server, the server is taking its own set of actions as well. Those actions or events, and those events all are pushed to like a central queue for processing. The events are processed in a very specific order. And like, they go through like a transition function as well. So, we're modifying the game state and transitioning from game state one to game state two, then the updated game state gets added to that processing queue, and gets pushed out to all the clients that are subscribing to those updates through WebSockets. It's a React front end, it's a Rails back end. We're also using like a few different Amazon services, like the SQS, for example. And yeah, that's kind of the high level.

[00:15:58] JM: So, let's say I'm, I'm sitting there, I'm playing a hand of poker, I make a bet. Is that bet just going – is it hitting and getting posted to a queue and then getting picked up off the queue for back end processing and processing on the rest of the other client front ends? Is that

how it works? Can you just can you just give me like an end to end description for one event being processed?

[00:16:25] TC: Yeah, so you're a player in the game, you make a bet, right? That event gets sent to the server for processing. It sits in its own queue, then it gets processed, and it goes through a transition function to to primarily validate that the bet action that you submitted is actually valid, so that you're not like somehow submitting an invalid action. Assuming it's valid, the game state is modified with that, that event, right? So, it's updated and that new game state gets added to the queue for processing and gets sent back to all of the clients at the same time, through that. It's sort of like a Pub Sub, a connection model over WebSockets. So, then all the clients receive the updated game state. And let's say it's a bet.

Actuality, I'm oversimplifying here, there's actually like I say, three different events that will happen. It'll be a bet event, it'll be like, perhaps it's like a bet event, and there's going to maybe an assign actor event, maybe there's a consolidate ships event, as well. And then as a client, you receive what, say, three different game state updates, and then your client is responsible for animating between game state one, game state two, and game state three. And then presenting game state three to the new actor who's now in this case is meant to call the bet or fold or raise.

[00:17:43] JM: So, have you encountered any engineering challenges as the site has scaled up in popularity? Because I mean, you've grown a lot in recent memory. Has anything changed? Or has the architecture scaled pretty appropriately?

[00:17:58] TC: The architecture has scaled quite well, up until now. There was one, we did have one performance snag maybe like a month, two months ago, maybe. A lot of our efforts right now are over time, but right now in particular, are focused on better infrastructure, and logging to understand everything that's happening in a game so that if something were to go wrong, or we need to debug, we have the information, we need to do it. And so, we instituted a logging scheme that is logging. Every time a client receives a state update from the server, it sends an acknowledgment back to the server and says, "Yep, I got the update." It's partially meant to solve problems related to clients not receiving state updates at all, which turns out is possible in the land of WebSockets. So, we just like covered this part of the application in logging. And as

the number of users scaled, we quickly realized that it was just hogging up all the resources and causing the app to like move to a crawl.

Thankfully, nothing actually broke, surprisingly, but it was just like unplayable, because you would click bet and like it would take five whole seconds just to process the bet event. And so, we decided to move all that logging infrastructure and those API calls to a separate server and that alleviated the problem. That is the only scaling related issue that I think we've encountered so far. There will absolutely be many more.

[00:19:20] JM: Have you had any conversations with other people who have run large poker sites or large gaming sites and have you gotten any insight from talking to those people?

[00:19:31] TC: Absolutely. And by the way, I am always, I love talking to these kinds of people. It is so fascinating. I mean, I've talked to lead engineers at PokerStars or at Full Tilt in like the heydays, and also more hobby, engineers that have built more hobby projects as well. It's so fascinating for two reasons. Number one, I always learn a lot. Also, number two, it's like kind of commiserating, right? We get to like talk about a lot of the crap associated with building a poker app specifically and it's just fun and cathartic to talk through some of these challenges.

So, I have done that. It is so much fun. I would love to do way more of it. And we'll continue to do it in the future. Yeah, it's it's super fun. Because I mean, there's such a strong history, it's kind of a unique set of skills in the software world. And there are a number of engineers at this point who are now like late stage career like, 40 plus. And when they were like 25 or so, they were writing, like the core code for the PokerStars client or the Full Tilt client. It's super cool.

[00:20:32] JM: So, I'd love to come back to talking about the business. So, as we talked about before, you have to find some kind of business model, that is, I guess, outside of the traditional ways of the rake-based gambling income. But do you have a vision for eventually getting to that, I guess, maybe more desirable monetization structure of taking in rake? For those who don't know, rake is basically, if I play a pot and that pot is like, let's say it's \$10, and then the rake is, whatever 2%, then the website is going to get 20 cents out of that pot. But yeah, do you have a vision for maybe eventually getting there? I guess, it would take some tailwinds for the legality of

poker to change before you could actually get there, unless you decided to focus on European platforms or focus on Vegas or focus on other places where it could be legal.

[00:21:38] TC: So, great question, a lot of thoughts. I want to first say that, like, I actually don't think it's necessarily a more desirable business model. It is the obvious business model that the industry has adopted and has, in my opinion, sort of optimized themselves into a corner with. Although, it's applying constraint to ourselves to say we are not going to rake tanking, I think it opens up an opportunity for us to explore alternative business models that I think are absolutely out there and have been proven by other companies from Zynga Poker to Fortnite.

Having said that, though, I think it's still definitely possible that we explore this in the future. It's not a focus of ours right now. I want to focus on building the right social experience first. And I think actually offering real money settlement and even rake taking would hurt that cause. It almost doesn't matter, like, if we have a unique brand or core features, fundamentally the business equation will be the same as every other online poker site. But absolutely, in the future, once we have a better foundation for that social experience, I think there's an opportunity, as again, as you said, as a tailwind sort of manifest hopefully, and as crypto matures, I think there'd become more and more opportunities for us to – it seems like probably likely in the future, that we will offer real money settlement, where whether it's crypto or whatever, where you can play with a group of people privately and then settle up programmatically, with some kind of whether there has to be an escrow service or whether it's done again on the blockchain, I think is TBD.

But I think that's likely, I think what's much less likely or more uncertain is whether we actually take a rake from the pot. I think there just are a lot of implications there that seem west forward thinking than trying to at least first explore other business models that again, like look more like the Fortnights of the world. So, in game virtual goods, avatars and skins, and other things that enhance the experience the game. So yeah, that's kind – that's what I'm thinking about right now. Subject to change, right? Clubs is about two years in, we've got many more years to go, things will absolutely evolve. But that's kind of the take right now.

[00:23:41] JM: Does crypto open up any kind of legal loopholes to getting online poker experience, legal or gray area legal?

[00:23:54] TC: The only poker in general right now sits in this gray area. You can talk to, and I have done this, you can talk to legal teams in the US that will advocate that online poker actually is not illegal in the US. It is perfectly legal to operate an online poker site. And you will talk to legal teams that say the exact opposite. And they will each cite arguments and court cases in favor of their case. So, it's all gray area right now.

My best, again, not a lawyer at all, but like my best interpretation of what is in the black area is when you, at least according to the UIGEA, that we talked about earlier, is when you are actually processing the gambling transactions yourself, right? You're facilitating the transfer of money. And so, what crypto presents that is interesting is a potential settlement infrastructure that doesn't ever have to – we never have to be an intermediary. We can either provide software ourselves that facilitates those settlements where we're not an intermediary or pie in the sky idea. I mean, it is certainly possible that we can expose an API, for example, for Clubs where folks can build browser extensions or other sorts of plugins that let them settle up in their own way.

One of the interesting things that I've learned with Clubs is that different groups of communities that play on Clubs have very different desires in terms of how they are “settling up”. What I mean by that is like, we have plenty of groups that actually do play entirely for play money and their motivation is like they have a league with their friends, and they're keeping track of stats and standings over time, and they like award a winner at the end. We have groups that play with virtual currencies. We have groups that play like they're like, I can think of one group for example, that they are a Grand Theft Auto community, GTA 5 community, and they play poker on Clubs, while in the Grand Theft Auto game, and they settle up using like the inherent like Grand Theft Auto fake currency that doesn't actually have any real money value.

So, this is all to say that, like, there's a lot of use cases right now for Clubs that are not just like, I want to pay you US dollars. But it's definitely going to be a valuable feature if you want me to get there. I think that, again, crypto needs and Web 3.0 needs to evolve a lot. But I think there's potential for us to offer it. Explore offering in such a way that we are not an intermediary, and potentially be able to innovate through that and stay clear of the legacy UIGEA law.

[00:26:27] JM: Yeah, it's kind of funny, because the way in which poker was, I felt limited back in the day was, or from a legal perspective, was that would have these restrictions on the bank transactions. And that's why a lot of people ended up, I think, going around, circumventing it with PayPal, and then, crypto would conceivably help with that. But I think probably the strictures in place around real money gambling are a little bit stronger today, or more than a little bit stronger today.

[00:27:01] TC: Yeah, I think that's certainly a fair point of view.

[00:27:04] JM: How do you feel about the morality of poker? There's obviously issues around addiction and I guess, just the traditional religious viewpoints around gambling being unethical, do you have any personal concerns about that?

[00:27:25] TC: It's a great question. It's almost like deserving of its own podcast on its own. I think about this plenty, of course, and have a point of view on it that evolves over time. Yeah, I'm also heavy like, I'm not philosopher, I don't think I'm like, I should not be like the source of truth that's weighing in on this, but I can give my perspective.

This is going to sound like a little out there, perhaps, but it's just my honest answer. I think like life itself is a gamble, in a lot of ways. We gamble every day with how we spend our time, and who we do business with, and the decisions that we make. Poker is a very in your face form of gambling, right? It's like a very simple game that involves money. And when we think of gambling, we equate it to money. I'm so thankful that I learned how to gamble effectively through poker. I think it's fundamentally changed how I live my life. I think any poker player would say the same thing.

So, yeah, I was a poker player for four years. I've seen upfront, the pros and cons of gambling. I think, overall, have a very positive view of the benefits of learning the ins and outs of gambling. Again, as it's associated with life and business, but also, there is absolutely an enjoyment factor to it. Let's not diminish that. Like many things in life, like there are tradeoffs to be considered and accounted for. Poker and gambling in general is no different. I think our job with Clubs Poker, and just like broadly in general is like, we want to maximize the positives and minimize

the negatives. And you can say that about many technology, like any new technology, in general is a new technology, for example, has positive use cases, and it has negative use cases.

As a society, our job is to, hopefully at least for doing things right, maximize the positives, minimize the negatives. I think it's very similar with gambling. Absolutely, there are negative things, addiction being just one of them, or financial hardship, perhaps. Those are related but not actually exactly the same are just worth always keeping in mind and trying to minimize and trying to, at the same time sort of express and showcase the positives. For a non-poker player, this might sound silly to say, I understand. But I fundamentally live my life based on many principles I've learned from the game of poker, and I think that's incredibly valuable. So yeah, that's my thought. Jeff, I'm actually curious what your take is on this as a poker player yourself.

[00:30:00] JM: It's changed over time. I think I probably developed some dopamine circuits from poker that were not healthy. I think the stable income model that most people live their life by, is a better one to build your life around. And I think there are ways of investing that are more steady than what poker normalizes you to, A lot of poker players, when they stopped playing poker, they go into something like trading, which has the similar ups and downs. And maybe they don't realize the pleasures of building a steady income.

So, I think playing it regularly at an early age was probably – it has its pros and cons, but for me was probably overall, I have my regrets about that. I wish I would have taken more of a – if I could trade in all the time, I spent playing poker, on programming. Programming has so much more steady returns to it than the turbulence of poker.

I agree with you, I think whatever activity you take part in, early on in your life, whatever you obsess about whether it's music, or poker, or programming, your life does become kind of a metaphor for that activity. And I just think there's better metaphors to build your life around than a gambling game. Now that said, like, what I love about poker is it does teach you the expected value framework of life, thinking probabilistically, making weighted bets, all those things can be really critical. I mean, it's got its pros and cons. But I think the addiction side of can be pretty pernicious if it's not regulated. I mean, personally regulated by people. Let me just ask, if you are not building a poker site, do you have any idea what you would be working on or what you'd be building or what industry you'd be in?

[00:32:03] TC: That's a great question. I honestly have not meaningfully thought about that in a while. I mean, I would certainly be a founder, I think this is the career path that – the career path I've been on has been leading up to me being a founder since day one, or even before that. And so, then the question becomes like, what other problems do I see that I think would be interesting and valuable to solve? There are certainly many.

One that always comes to mind is a big one. It's a nebulous one. It's a bit hard to explain, and I don't have like, fully formed thoughts on it. But I think a lot about the future of real estate, the future of living, specifically, like residential real estate, and like what – a little philosophical here, but what the death of suburbia could look like. What does New York City look like in 2100? I think is a really interesting question that I think a lot about. Real estate has to get to and what sorts of like, experiences, or lifestyles that don't really exist today that we could craft in the future that I think are better.

So yeah, I can keep going on this subject. But I think a lot about my college days and graduating from college. In college, I'm living in a dormitory with all my closest friends, and we have our doors open, and like we're super socializing. When I graduated college, I moved to New York City and was living in a building with a bunch of people that I have no idea who they are. They're different like walks of life entirely in terms of like, age, and what their profession is and what their interests are. And it was kind of a stark experience. I wonder if there are opportunities to create better communities through real estate technology. So, that was random, but that is definitely something I think about.

[00:33:53] JM: Yeah, what do you think is going to happen to all the urban blight? Walking around San Francisco just seeing all these giant office buildings that are totally unoccupied, I wonder what's going to happen to all those places?

[00:34:09] TC: SF, for sure. New York, Midtown for sure, as well. It's interesting walking around Midtown these days. It's a great question. I've asked real estate friends of mine this exact question, because I wonder. One very tactical answer is like right now at least, I can speak to New York, the office space in Midtown, Manhattan, is largely zoned for office space, legally zoned for office space, right? You can't just like one day decide to convert it to a residential

building. There are all kinds of laws around like bedrooms have to have window. Main laws which I'm not even familiar with. But it's just not so simple. So, maybe there are rezoning that happened. I don't know. But maybe there are like ways of again, there's just no way that we're using physical space, especially in cities in an optimal way. Although I don't have the answers, I'm excited to see you like what big office buildings in Midtown become if not office buildings anymore. I wish I had the answer.

[00:35:09] JM: So, what are you focused on right now in Clubs Poker? What are you building?

[00:35:14] TC: So, we are focused on – the next milestone for us feature development wise is multi table tournaments. So right now, in Clubs Poker, you can come, you can play, we offer different game formats, notably, ring games, or cash games, and single table tournaments. And both modes are very popular and but fundamentally, like you're playing against a maximum of 10 players. But what if you want to play with 20 players and 30 players and 100 players? Many clubs do this on Clubs Poker, right now, but they do so manually. They're sort of like recreating a multi table tournament experience. We think there's a massive opportunity to create a dedicated and what we call MTT or multi table tournament product.

It serves a need for so many different online communities and groups of friends, like for tournaments, for example. But it actually also serves a need for corporate events and charity events that want to do like 500-player tournaments. So, we are doing a lot of like pre work right now to get the application and the infrastructure into a place where we feel confident and we can reliably build an amazing MTT product. And that's what's going to be like the probably the next six months for us, I bet.

[00:36:22] JM: Are you doing a lot of the product design yourself? Are you sitting there in Figma or some other design tool to actually do the top down design?

[00:36:31] TC: I am. I am the PM, I am the designer, I am the growth marketer, I am our salesperson, legal counsel, accountant. I do everything about the engineering and I leave the engineering to Sergio and Mike, who are way better than I am. But yes, to answer your question, yes, I am in Figma, almost daily, doing design work, product design work, and also like marketing design work too.

[00:36:54] JM: What is your marketing approach? Is it all bottoms up? Or are you doing any paid marketing?

[00:37:01] TC: Experimenting with paid marketing right now, which I can talk about, but like very early in the experiment. Almost all of our growth, like I would say 90 plus percent of it comes purely organic. So, it's through Google searches. It's through Reddit posts, and other just forms of word of mouth. The marketing experiments that I've run, I've done some email campaigns towards – we actually sort of acquired a competitor of ours about a number of months ago that was shutting down. And so, ran some experiments, emailing the competitors, that we acquire their database, of course, so like emailing the users and announcing like, Clubs Poker, and that was a miserable failure for a few reasons.

So, we started with Facebook ads. It's showing some success actually, early on, but time will tell how that pans out. And then just trying a bunch of different things. I just struck on influencer partnership with another incoming poker vlogger, that's doing an awesome road trip from New York to Vegas and stopping casinos along the way to play poker and we're doing a little partnership there. Yeah, working on some other stuff in the influencer space, and just kind of trying just experiments and seeing what works.

I mean, in the startup world, in our world, the name of the game is fortunately or unfortunately is like about hitting milestones to raise more funding and you go down that track. And so, my goal right now in advance of us, raising a seed round is really just running a bunch of growth experiments just to rule out things that work and sort of rule out things that don't work, and double down on things that do work. So, I'm just trying a bunch of different things right now.

[00:38:34] JM: I guess we come to a close, I'd love to just know about, I guess, firsthand entrepreneurial experience. How it's been for you getting started and dealing with the ups and downs of building a company?

[00:38:48] TC: Also deserving of its own podcast entirely. So, it has been – I started Clubs a little less than two years ago. And also keep in mind like, I have wanted to be a startup founder for my whole career, right? This is what I've been moving towards. I, for years, have consumed

every piece of information I could about what it's like to be a startup founder and best prepare myself for this journey. It is simply just not something that you can prepare yourself for in advance. You just have to do it. I am moving through the highs and the lows and it is way more intense of a roller coaster ride than I could have ever imagined. I will be lying if I said that it is like all roses. It is absolutely not. There are a lot of really tough times and I just could not properly relate to it before I actually did it. So, I am trying my best.

It is, like right now for example, I'll be perfectly candid, right now things feel great. We are growing like a weed right now. Explosive growth over – this month alone has been phenomenal in terms of the numbers we're putting up and it feels amazing, and it feels like we're on top of the world. But there have been many months where it's felt like the exact opposite. It's felt like the absolute death of us and that there was no recovery. I'm sure they're going to be times in the future where it feels the same way. It is really challenging. And like, honestly, the biggest challenge for myself right now is not product development. It's not engineering, it's not marketing, or fundraising. It is how to wake up each day and be as productive as possible and like mentally present as possible to build this company successfully. And do so while sort of in my mind, I am riding this roller coaster that is going up and down and side to side and is uncontrollable at times. You just got to learn to deal with it, which I have not figured out, but I'm certainly learning how to.

[00:40:36] JM: Do you have any practices for dealing with those ups and downs? Has there been anything that's been particularly soothing or ways that you can level out the those ups and downs?

[00:40:50] TC: I can think of a couple categories. For the first time in my life, I have a therapist, I also have an executive coach, similar, but different. We work through different challenges together. Got some really interesting just to like, have a place to just talk truthfully, about how I might be feeling even if I don't like the fact that I'm feeling this way or just a good place to talk. I think maybe like equally important is having a group of founder friends and peers that I can talk with and learn from, and share openly, honestly. I'm part of actually a, like, we call a mastermind group with five other founders that are in the same stage as me. We meet monthly, and we talk about problems that we're dealing with.

It's so helpful just to hear from others that are going through the same unique experience. And remind myself that, "Oh, I'm not alone." The feelings that I feel, or the fears I have, or the concerns or the anxieties I have are not unique just to me. And actually, this is a near universal experience for all founders, including the most successful ones that have, built amazing companies and reminding myself of that, I think has been incredibly, incredibly helpful.

Of course, there's also like finding ways to – finding value in life outside of just work is something that – I derive a lot of my value in life from work and I think that has served me quite well. But finding value outside of work, whether it's hobbies or relationships, I think has also been super helpful for me and challenged during COVID, of course, but we're working through it.

[00:42:29] JM: Well, Taylor, thanks so much for coming on the show. It's been a real pleasure getting to know you over the last year or so. And obviously, I've played on Clubs Poker a lot and a big fan of the platform. It's really well done, well designed, well built. I have a lot of faith in your ability to execute on it.

[00:42:43] TC: Thanks so much, Jeff. I appreciate that. This is early days for us. I can't wait to have this conversation again in a few years and see where Clubs is at.

[END]