

**EPISODE 291**

[INTRODUCTION]

[00:00:32]

**FT:** Hey everyone, welcome back to So Money. I'm your host Farnoosh Torabi, thanks for joining me!

Today's guest is Mike Lowe, and parents to young children out there, you're going to wanna raise the volume higher on this podcast because Mike is the founder of a great company called "Kidoodle.TV". It's a unique subscription video on demand service for families offering quality, kid-friendly entertainment in a commercial-free environment. Kind of think like Netflix for kids.

Kidoodle has key features like parental control, time limits, and parent analytics. Great for kids, given today's "digital jungle" as Mike's team calls it. The company's committed to making a positive impact for families, which I'm all for. And prior to founding the company, Mike has a background in journalism and new media.

Lots of takeaways from our time together, including the future of children's programming and the role Kidoodle hopes to play in that. The "too good to be true" investment that went down as Mike's biggest financial failure, and how does Mike manage screen time in his home with his kids? You know the American Academy of Pediatric's discouraged all screen time for toddlers under the age of two fro years. They've now gone back on their suggested limits saying that in a world where screen time is becoming simple "time" our policies must evolve or become obsolete. So even they're changing their minds.

Here is Mike Lowe.

[INTERVIEW]

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**FT:** Mike Lowe, welcome to So Money. As a parent, and as many of my listeners are parents, very excited to have you on the show and learn more about what you do. KidoodleTV, welcome to the show!

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**ML:** Oh thank you for having me.

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**FT:** I love your story about how you launched this, what is sort of like the Netflix for kids. You started this as a parent who was looking for a great way to introduce programming to your kids in a way that was commercial free. So how do you go from having a brainstorm as a parent, to then launching what is now a very successful company?

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**ML:** You know, I think first of all, I'm kind of a serial entrepreneur in the beginning. So it was one of those things that I'm always looking for opportunities and always looking for new horizons. That's part of the curse of being that serial entrepreneur. But really it was about, for me, assembling a team of people that had the like-mindedness to try and create something that really was not only — had the opportunity to become a successful financial project, but at the same time was more than that. Was really about how do we develop something that ultimately we'd be proud of for the rest of our lives?

And I think that Kidoodle, when we started it it was really about a thesis that kids were gonna be changing the way they consume their media much like we've already changed the way we consume newspapers and books and music. And looking at video sort of that last horizon at that point, it was really trying to say, "How can we build something that will give kids of the future — will be able to adapt to kids of the future, but really be able to also work with the parents?"

And so, using technology to develop an ecosystem where the parent can say, "Okay great, I know I've got a level of security, there's no advertisements, I'm not gonna get inundated with

things I don't want my children watching. At the same time for the child, is given an environment that makes them feel like they're responsible and they can grow up. So we really wanted to, as parents, build something that we saw in our every day lives that made sense.

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**FT:** I will say, as a parent, my son is almost 16 months and I actually have started to allow him to watch some Sesame Street, which I know even the American Association of Pediatrics has gone back on their initial recommendation, which was "after two years it's safe, but before two years we must restrict screens." I'm a busy mom, what can I say? Sesame Street is what I need sometimes to just get dinner done.

But my point to this is really that there's established programming out there for kids, it's been around for decades. Since you and I were young. You know, Sesame Street, even Barney. So how do you, I mean Kidoodle's brilliant! I love that it has parental control and no commercials. But you're also introducing a lot of new programming. How do you win these kids? How do you win these audiences that really want Elmo? You know? Can they get Elmo on Kidoodle?

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**ML:** You know one of the interesting things, so in the beginning when we got our product out, really for us it was about getting data feedback from moms and kids and seeing the usage. And one of the things that has really radically shifted the habits from our time growing up is that YouTube's now been around for over 10 years. I know my eight year old has grown up with YouTube as being, literally, that's his form of television. His first point for him is to go and find things on YouTube.

And so when I was watching that behavior, obviously YouTube is a dangerous place as well for kids. So you know there's that complexity of how do you find the content, you know, from a corporation standpoint we're looking and going, "How do we find content that's relevant for kids today?" And a lot of times what that content is, it isn't actually necessarily the things that we grew up with. And that's probably the biggest finding that we found is that kids are into completely different brands, simply because they're no longer sitting down on Saturday morning

and watching cartoons that's delivered to us by one of the big media companies or broadcasters, but rather they're now seeking and finding content from all over the world.

And what I'm finding too is that, even in my own family, my kids are much more interested in finding things that they can learn with as opposed to just be entertained. And as a company we're really, really moving towards area now where the content of this next generation of connected kids is interested in isn't just that sit back and watch a half an hour of, you know, one of your favorite cartoon characters. But rather see some content that maybe is coming from Europe or from Africa, or watching a show that's produced by a mom and her daughter.

And really what we're seeing now is the democratization of content is moving away, as we're seeing it from our users, is moving away from just the traditionally produced television shows into a whole new area of opportunity and content that is really exciting. Because from our standpoint, you know, there's a way to develop a new type of edutainment-entertainment paradigm.

And so really from our stand point it's just this exciting transition right now where we're seeing this real time data coming from kids where ultimately if they can learn something or if they can get into a show that not necessarily that I even know what that brand is, there might be this smaller YouTube channel that kids are definitely excited and watching it.

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**FT:** As a parent though, do you have a limit to screen time? Do you limit that in your household?

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**ML:** Yeah absolutely. It's very important. So Kidoodle, we built it with timers so that you can set bed time limits and curfews cause optimally we don't always wanna be the bad limit. But it really, and you're hitting on something that's very important; screen time is that important piece that you have to monitor because that's not just television too. That's also playing games, that's also through apps. So we've got this whole new unique environment that's being created through the tablet, the iPad, etc., where now these kids have their own unique ecosystem.

And you have to limit screen time because one of the things that we actually at Kidoodle.TV are trying to do every day is actually get kids away from the screen more often than not and incorporating things like doing chores and outside activities to be able then to have the reward of watching some screen time cause we strongly feel that, I know as my own kids, that we want them to still get out into the world and experience those real things that we need to have a positive development.

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**FT:** So a business question for you, how is business doing? If there's anyway that you can talk about this using measurements or growth metrics, we'd love to hear how this startup is doing.

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**ML:** Sure! Well we focused, in the beginning, so again being a part of a lot of startups in the past — some successful, some not — you always wanna learn. And from our example in our original thesis was always to get into the market with a minimal viable project and start the data back. We didn't think that we were the smartest engineers in the world that could be able to predict the future.

What we wanted to do was build a platform that ultimately would have the velocity to meet the changing consumer market. And for that, since 2014, we've been into the market and just basically doing a research project where we were learning the habits and asking our customers what they liked, what they didn't like. From this point on moving forward, we're moving into our second phase of the business, which we're announcing later this week. Our first real partnership deal, this partnership is with a telco that's in over 33 countries, which is millions of customers.

And really our focus now is to partner with infrastructure owners, mainly telco's to be able to deliver a new product in Kidoodle.TV that is centred around not only entertainment. But like I said before, education really about literacy and getting kids the ability to learn as they are entertained. But from our standpoint we're really now rolling out sort of a B to B, to C process where we're talking to — I just got back from Europe and we're talking to numerous telco's all

over the world from Southeast Asia, to the Middle East, to Latin America where now we're offering our media product and our expertise as essentially a platform for them to offer to their customers that gets them up to speed on a kids product, relatively with no time at all and little expense.

So we're seeing that really being taken up, actually much more than we even thought. We originally thought we would kind of go after a partner every six months, but we're just seeing the changing times right now and the decline of traditional television revenues and the increase of everybody's interest in digital that a lot of the partners that we've been talking internationally and domestically are excited about what we're offering and get it, and it's a pretty easy sell cycle.

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**FT:** You called yourself a "serial entrepreneur" in the beginning of this conversation, what was the first business you launched?

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**ML:** As most kids, it was a yard business [Laughs] cleaning, doing the landscaping. I quickly found that's not what I wanted to do for the rest of my life, but it was better than working for somebody else. So just growing up my father was an entrepreneur and really from growing up in a household that was, you know, our chats at the dinner table we were always talking about opportunity and future horizons and what we thought that would make sense and where would the world be in five years from now?

So as I've gone through a lot of businesses, I've had a media company, I've had an agency — and advertising agency. I went through a lot, and you know a lot of failures and I think that the personal mantra for me is kinda of cliché, but it's always, "Don't be afraid to fail, and just understand that you're gonna fail a lot. But ultimately to learn at each juncture and try and incorporate that into a bit of databank, and get smarter every time."

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**FT:** You beat me to the question, I was gonna say, "What's your money mantra?" — "Don't be afraid to fail." So with that then Mike, what is a failure that you experienced, financial failure? What happened, and what did you learn?

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**ML:** You know it's kind of a traditional investment scenario where I really, growing up again being an entrepreneur, I've typically anything I've invested in myself I've known the people inside the company or have gotten to know them well. And I remember one time there was a typical deal that came across the table and it was too good to be true. I bid on it, and it was too good to be true! And it was the first time that I never actually took the time to get to know the management. And the presentation was wonderful, the space that they were in looked like it was right.

But ultimately I didn't take the time to sit down with the executive group and understand really how they're going to tackle what they're tackling, and it was one of my larger personal investments. It was a bit lazy, got a bit complacent and thought that this was going to be one of those invest in quick, turn around and make a two or 3X. And it turned out, I think, that that investment now has got maybe, lost 99% of it's worth. [Laughs] The company's dead, so it was a good lesson for me that for the rest of my life, I learned it early that it's really important for me personally to get to know the executive group and understand exactly who they are and where they're operating and how they're operating and just sort of the corporate philosophies to be able to invest in them.

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**FT:** Wow! Do you think that those fella's those ladies that were in the executive team could've predicted this? Had you spoken to them? You might have gotten a bit of a sense that maybe they weren't that confident?

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**ML:** You know what it was, it was — I say all the time, we don't hire with Kidoodle by resume and there's a reason because if I looked at the resume of this company and looked at the existing staff and the executive group that was involved, they were all — had been in a large media space before. And when I stood back and looked at it, again it looked really good on paper and it just, if I met them, who knows? I think now after the debris fell that was left by that company no longer doing business, then you can see a lot of "ah-ha's" and moments where people would see some definite problems that were in the executive group and some big gaping holes that they didn't cover. But again, hindsight's 50/50. [Laughs]

Just moving forward now, I definitely will get to know the behind the scenes stuff, being an entrepreneur running a company with Kidoodle one of the shocking things is for myself with our investors a lot of them still haven't gotten to know me and believe my story. But only a couple have really wanted to come and meet the team and I think that's very important if you're investing, especially in the tech media space is that it's not just the front face of the organization that is the important one, it's also understanding what are your developers and engineers like and what's their body language?

Just understanding the space to really — cause this market is moving so incredibly fast and every day there seems to be some major transition or shift, and we're now in this global environment that is just radically disrupting everything and I think that there's so many talented people out there right now, and so many smaller companies that maybe deserve a bit more of a look. But because they don't look good on paper they get passed over quite a bit and I think there's, in my opinion, that's the opportunity is to find those gems that are hidden with talented people that are absolutely dedicated and smart and are willing to go the extra mile to make sure it's successful. And it's hard to come across in a presentation in a boardroom.

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**FT:** You studied journalism, why?

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**ML:** [Laughs]



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**FT:** It doesn't seem like it — I'm trying to connect the dots.

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**ML:** Because I'm dyslexic and it was a challenge. [Laughs] In all reality, to be honest with you, it was the degree that made me sound the smartest in the shortest period of time. [Laughs]

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**FT:** [Laughs] Always looking for that ROI, always looking for that ROI.

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**ML:** Yeah exactly. You know I've always been interested in the story. I think for me, again, in business just as I mentioned before, the front of the building always looks great. What's the inside like? And journalism to me always taught me to look for the real story and I think that for the rest of my professional career it's what I seek for. Where are the real opportunities? Where's the real story? How do you separate the wheat from the chaff?

It's just a really interesting field to hone your skills on and I find that actually there's a lot of things that I use from my schooling into my business life now where I'm just asking certain questions or looking at certain things at certain angles, whether that's even in our own boardroom or our partners are talking about things that I can really attribute my journalism training has helped me with.

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**FT:** So what's the future story of children's programming, and how it will be delivered, and the kind of content that will be provided? Obviously you wanna be a big part of that and like someone to implement things in that space. But where are we gonna be this time in five years?

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**ML:** Yeah to that point, ultimately I hope we'll see our company with Kidoodle.TV being one of our products, is obviously leading in charge. The reality is I think that it's global, that kids are going to be communicating with each other in various language through various real time interpretive technologies, although we have to be careful to make sure that there's definitely a parental lock on it so we control the exposure kids are getting to.

ut really from my standpoint and where we're going with our product is allowing kids to create their own media. We're just seeing the creativity of kids and the ability for them to research and come up with new ideas is fascinating. And ultimately, we're looking at building a toolbox for kids to either watch great content and be inspired, or at the same time create their own great content to inspire other kids. And that's not just, again, video. It is through moving images, through book telling, just all different formats creating their own games.

For us in the next five years, we're very, very focused on helping kids develop their own media.

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**FT:** What's a financial habit of yours Mike that you practice that helps with your, either with your entrepreneurship your money management? And then I wanna ask you about what you teach your kids about money at home?

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**ML:** You never wanna ask a serial entrepreneur about risk management with money. [Laughs] You know you're always having to dial in! The big thing for me again is just really only spend on the areas that are critical. When you're an entrepreneur you're always living in this space where you're typically looking at your cashflow on a monthly basis and you have to be cognizant that you're in a business typically that's easier non-generating or just barely generating cashflow, and so you have to manage.

And to that point, what I've seen a lot of mistakes do is that companies will go out or entrepreneurs will go out and maybe close a large round of capital, a multi-million dollar round of capital, and then all of a sudden it's, "Let's go focus on building office out or focus on the things that aren't absolutely necessary to make the business successful. And I think that's the same thing in my personal life, is that there's certain things that I put a value on that you wanna spend some money on. But then a lot of other things I just try and be as disciplined as I can, not just spend anywhere that doesn't ultimately have some sort of ROI and benefit to me moving forward.

And regarding my kids, really what we're using right now is, for instance, games. My oldest son loves to — he's sort of this real "techy" kid. His whole focus on life right now is he wants to be an app developer and a game developer. And so we are very, very aware of the in app purchases and really right now it's about making those in app purchases real to him. When he asks for 99 cents or \$2.99, we're really focusing on making him have a physical task to be able to understand that money typically just doesn't — as the proverbial "fall off the tree".

But really what you have to do is identify to the child and say, "Look, even though you're spending something that you can't feel or touch, ultimately there's still a physical quotient to it. And using home chores is something that we're really working on right now. With my youngest son, he's still too young to know so we'll pick that up maybe in a couple of years and learn a little bit more from the eight year old.

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**FT:** Yeah I think, you know, a lawn business is recession-proof.

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**ML:** [Laughs] There you go!

[00:20:01]

**FT:** Sure!

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**ML:** Except for me in Canada, so it's a short window.

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**FT:** A short window, but a window at least to learn and try something.

Okay, let's do some So Money fill in the blanks Mike. This is like, you can just take a break, no more hard-hitting questions about your business. This is just really stream of consciousness. First thing that comes to mind, finish the sentence.

If I won the lottery tomorrow, let's say \$100 million bucks, the first thing I would do is \_\_\_\_\_.

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**ML:** Put enough away for my children's education, for a quality children's education. And of course, pay off all debt.

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**FT:** Are we assuming they go to college in Canada, or anywhere?

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**ML:** It'd be anywhere. It's definitely a global prospectus.

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**FT:** In which case it might be a little bit more money. [Laughs]

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**ML:** Absolutely yeah. I mean it'd probably be at least a good chunk. Don't wanna give away too much to the kids to ruin the opportunity for them to succeed in the future. But ultimately, it would be insuring that they have the toolkit to go to school and pursue whatever education they wanna do.

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**FT:** One thing that I spend on that makes my life easier or better is \_\_\_\_\_.

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**ML:** Better airline tickets. [Laughs]

[00:21:05]

**FT:** Yeah! Those extra — extra leg room is always worth it.

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**ML:** Well just changing too. Just the ability to change tickets without — unfortunately travelling so much as you know, meetings get changed quite quickly in big companies and the last thing you wanna do is be stuck with high change fees.

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**FT:** Right! My biggest splurge that I spend a lot of money on, but it's worth every penny, is \_\_\_\_\_.

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**ML:** Motorcycles.

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**FT:** Really? Tell me about this.

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**ML:** Yeah I love racing on tracks. Although, don't tell my board this. But yeah, I've loved motorcycles since I think earliest memories and any day I can get out and ride, which is becoming far and few between lately, but definitely getting on a racetrack and/or doing a week long road trip through various terrains is my passion.

[00:21:54]

**FT:** Good for you! So you do have some fun. You can have a little bit of fun while you're running this big business. Yeah, not enough lately! The last couple of years have been pretty dry on the fun part. But as you know, it's always worth it.

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**FT:** When I was growing up, the one thing I wish I had learned about money is \_\_\_\_\_.

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**ML:** That it didn't grow on trees! [Laughs] Just literally how difficult, especially globally, just how we are now moving into a global economy and just how living in Canada was such an unbelievable place to grow up. And the access to capital, for the most part, is very, very strong when you consider the rest globally. When I got out of high school and travelled to Africa and different parts of central America and started seeing how a large portion of the world lived, that was the biggest shock for me.

And I think that was the biggest transition to understand that coming out of high school and making, at the time, I think it was \$12 or \$15 an hour was, to me it was high way robbery. Like how could someone pay so little? And yet when you walk into villages where that would be a monthly income, it was just something that, again growing up in Canada, was very privileged.

But ultimately when you can trust that, with what's going on globally, that I had to learn that lesson that you definitely have to work hard if you wanna be successful.

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**FT:** What a great lesson.

When I donate I like to give you \_\_\_\_\_ because \_\_\_\_\_.

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**ML:** I like to anonymously give directly. I worked with a lot of different charitable organizations and I found that unfortunately there's a lack of transparency and that creates huge inefficiencies. And so I like to donate directly, but I don't like to be known for my donations because typically it involves me working with families one-on-one. I like to work through schools and principals, but I have a very difficult time working with larger organizations, that's just my own opinion.

Now hopefully that changes, but in the past when I've done the research into organizations to donate, I was not very impressed more often than not, just simply by the inefficiency of people operating those charitable organizations. Maybe it's karma thing, but I would never want my name on a building, but I would love to be able to see the good that, you know, obviously money — you know the difficult thing is that we live in a world where money has to drive everything, including research and medicare, and food and clothing.

And something that really inspires me is to be able to hopefully be successful enough where I can achieve a high level of financial success, but ultimately I would not want to be a part of a large donor program. I'd want to be able to do my own giving through my own filters and judgement and ultimately where my heart said I needed to put it. But who knows? Maybe that changes in the future?

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**FT:** And last but not least, I'm Mike Lowe, I'm So Money because \_\_\_\_\_.

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**ML:** Because I've still got so much to learn! [Both laugh]

[00:24:52]

**FT:** Yeah, well that's a great way to put things. That's a great perspective. You know, as I always say, "You gotta continue to stay curious."

[00:25:01]

**ML:** Yeah!

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**FT:** It's important for your self-development and your growth. So thank you so much! Kidoodle sounds awesome!

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**ML:** Well thank you.

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**FT:** I can't wait to explore it more with my young one, and thank you very much for your time Mike. Congratulations.

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**ML:** Thank you so much for the time, and Kidoodle has lots of exciting things coming out over the next 12 months. And we're growing globally, and we're gonna hopefully change a lot of kids' lives for the better through the education initiatives that we're launching as well.

So thank you so much for the time. It's been great!

[END]