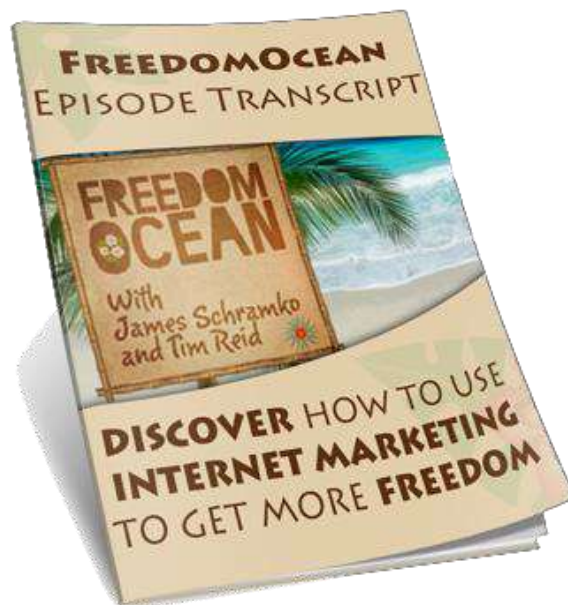




## Episode 75:

# Growing Your Business With The Right Support



The Complete Transcript

[www.FreedomOcean.com](http://www.FreedomOcean.com)



(To be read whilst..on a hammock under a palm tree! ;0)

**Intro:** James earns millions from internet marketing. Tim's got millions of questions. Welcome to [FreedomOcean](http://FreedomOcean.com). Now, jump on in!

**Tim:** Good day listeners, and welcome back to Freedom Ocean, episode 75. I am Timbo Reid, and right there is James Schramko. Jimmy James, good day mate!

**James:** It's good to get you back on even though the circumstances are not favorable. The reason why you're available right now, tell us about that.

**Tim:** Well, I don't know how to break it, but I have a fractured radial head, which basically, I have fractured my elbow. I fell off a bike. And right now, literally, I've just come back from what was meant to be a 9-day bike ride, it turned out to be three for me, but my daughter did finish it, so I kind of hung around for her. So now I can literally, all I can do is sit on a microphone and talk on the phone.

**James:** Isn't it lucky that pretty much part of your job is you get paid to talk.

**Tim:** Yeah, totally. It could be a lot worse. In fact, it was a lot worse for one poor fellow. He was killed on the bike ride.

**James:** What, on the same one?

**Tim:** Yeah. There were 3,900 people on this ride.

#### **A lesson in perspective**

**James:** Isn't this a lesson in perspective? You'll have one guy who probably finishes the bike ride pissed off with his result, thinking you could have done better. Another guy has busted his arm, which is called ahead for some reason, and another guy has not even made it back.

**Tim:** Correct.



**James:** And so, no matter how bad things are going, there's pretty much always someone going worse.

**Tim:** Might I agree with that. And whilst we're here to talk today about getting some support in your business, which will come to you shortly. Perspective is everything. One of the things I've noticed in the lead up to going away, 'cause I've been away for a few days, was that I've had a number of people just approach me, phone calls, members of my forum, people who have been at events that I've been speaking at, who are just kind of finding things a bit tough and whilst I don't take away from the fact that things might be a bit tough for them, I think perspective is a really powerful way of looking at things. And there's always someone worse.

#### **Getting perspective**

**James:** Well a great way to get perspective is, when you're in a situation like I was, where I was very comfortable with the way the business is going, is to start something brand new, and to remind yourself of all that hardship and learning curve that you go through to get to that place where you're comfortable in. I think you've been through that process with your bike riding.

**Tim:** Big time. And you with your surfing.

**James:** Like you were not a hardcore bike rider before, were you?

**Tim:** Nah.

**James:** You would have crashed a bicycle when I first met you.

**Tim:** I would laugh at those middle-aged men riders, James. Big time.

**James:** And now you are one.

**Tim:** Now I am one. You've had the same experience with picking up surfing 12 months in didn't you?

**James:** Yeah. It's like a one-year journey and it's just phenomenal how many lessons there are that give you the perspective. I think it's actually helped me relate better to my own customers who are going through that journey. I've even prepared materials for them recently. They've asked questions like, "How do



you go from just one person struggling away in the middle of the night," 'cause they know that was my gig to being able to build up a bit of support around you.

It helps me sort of switch back into that mindset, or reflect back through that learning curve. I think the overarching lesson, whether it's bike riding or surfing or starting your own business, is that it's pretty much always going to be really hard in the beginning, and there will be rewards for pushing through and finding the right path and persisting to the point where you can be doing it well like the people who you can see out there. And one of the best lessons in perspective that I ever had was seeing really successful people and knowing that, if they can do this then why not me? It's just a matter of application and doing the right things.

#### **Taking up something new**

**Tim:** Totally. Totally. It's actually really healthy to take on something new and give yourself that perspective. One of the last road shows I did this year in terms of speaking engagements was with a fellow by the name of Jeff Kennett. Jeff Kennett was an ex-premier of Victoria, and he was quite a character, still is.

Quite a character when he was premier. He got a lot of stuff done. He upset a lot of people, but he was larger than life, and he was the first speaker on this road show that I was on. I got to know him quite well and he's very motivated. He's in his late 60s now. And one thing he said is always to have one big personal goal activated each year. So for him, next year, it was walking across the Simpson Desert, he's done the Cicada Trail, and for me, it was this bike ride, the Great Victoria Bike Ride that I tried to complete. I didn't. But I'm going to do it again next year.

You've spoken a lot about getting out of your comfort zone and going to a conference overseas, or just doing something that you wouldn't normally do in your business to learn new stuff. I also would say that just picking up a new activity or something that you think you couldn't achieve 'cause it opens up your mind.

**James:** It's the same process, really. You know, I still look across here, way off in the distance around from Shelly Beach is this point break called "The Fairy Bower," and it looks pretty hardcore. Like it's way out there, it's off rocks, and there's this huge swell that just wraps around the corner. And I've now been able to surf that about 5 or 6 times, had the longest, biggest waves.





**Tim:** There was no swell on those days, but you know..

**James:** Oh, there was swell. I mean there's a rock the size of a car that you have to avoid. And when it's sitting right in front of you, it's quite frightening.

**Tim:** Yeah.

### **Overcoming the challenges to grow**

**James:** However, the point is, a year ago, I wasn't even surfing. I could struggle to paddle out, I could get out the back through all the whitewash and I'd be exhausted and ready to go in, and had no chance of standing up on the way in. And now, it's just opened up. It's basically unlocked a different world. It was always available to me but I had to choose to pursue it. And I had to put in the effort. I had to put in a daily consistent effort and overcome many, many spills and challenges and little injuries, and sometimes it's cold. You know, it's not always an easy progression. But we should celebrate the challenges and the richness of overcoming a challenge is where the real growth comes.

**Tim:** Correct. Correct. And I think the growth, by doing different things, it's a bit like, I've heard if you're right-handed, and you use your left hand, it opens up a different side of your brain. I've been just simply, I have hurt my right arm, so I can't write. Typing is a bit of a pain. I've started using dictation on the Macbook Pro. If you hit function function twice, it opens up voice-to-text. And I've been using that these last few days. And again, just something that's simple, I've just noticed my thinking is a little bit different. So I guess to wrap up that kind of discussion, which could go for a much longer time, is to say that doing different things opens up different parts of your mind and frees you to maybe get out of a rut that you might find yourself in.

### **Benchmarking & other lessons**

**James:** And the other thing, if you want to master things, there is actually a process. It's pretty much the same process, whether it's cooking, riding, surfing, building your own business, there will be a methodology that you can repeat. I know you will have approached your bike riding the same way you've approached your business because it's baked in now to your psyche. You'll be looking for that challenge and looking for that progression and constantly pushing yourself a little bit. You've already set a target next year, you've exceedingly got this year, so you're already benchmarking from your own performance.



**Tim:** Yup. Practice, benchmarking.

**James:** And if you happen to be an expert or a master in an industry already, then try doing something new so that you can be humbled again and relate better to your audience who are going through that struggle right now.

**Tim:** Yeah. There's lessons in everything, huh?

**James:** Everything's a lesson.

**Tim:** Everything. I always get accused on my other podcasts. I'm not accused but I always apologize when I say something "woo woo." You know, like, listen to the universe, or there's a lesson in there despite the fact that it's not related to what you're doing in your business, or listen there for other signals, watch out for other signals; but it's so true. Particularly the listeners who are treating in, who are very rationally minded, they might not get that kind of concept of the "woo woo," but there's a whole lot of side of life that's just much more emotional and spiritual.

**James:** Yeah, I'm with you on that page too. I mean connecting with the wave energy, there's something about it. Hard to explain until you do it.

**Tim:** Yup, it is.

**James:** And certainly, a lot of my research now, I've been reading about great surfers of the past, and a lot of them are connected to the one they call "Waterman." But one day, I was reading on Lynch. He was surfing by himself in these huge swells of the South Australian shark-infested water and no one else would go out with him, it was too scary. He'd even see a great white shark giving him an eye, and then he'd go back out again.

**Tim:** Wow!

**James:** Like he's got big balls, I'll tell you that.

**Tim:** Massive.

**James:** Massive.

**Tim:** Wow!



**James:** So, let's talk about a business lesson relating to Internet marketing so that we can further our listeners' chance of having their own freedom machine.

#### **Getting support**

**Tim:** Correct. So let's talk then. It is the end of the year. One of the things that I want to do next year is going to lead up to this – be smarter with the way I use my time and stop doing a lot of the things that are taking up time and not necessarily producing income or a lifestyle that I'm wanting. And one of those, I've always been poor at getting support, you know.

**James:** What are the biggest challenges with that?

#### **The challenges**

**Tim:** Delegation. It's my way or the highway. If I want to get something done, it's best if I do it. Finding that right person. Getting clear on who that person should be. I don't mean specifically but the type of person they should be. How to train them up quickly so that they hit the ground running. Lots of challenges.

#### **The framework**

**James:** Firstly, let's just challenge a few of those paradigms. We'll do some framework on this. First one is your personal capacity. You're literally like, let's say a bucket of water, and there is a limit. In your case, it's probably a couple of 100 hours a month. At that point, you pour any more water and it's just going over the top of the bucket. Like it's running out of capacity to do stuff. So you have a finite resource of your own time. So that's the first step to logically pulling this apart. It's the acknowledgement that there is a limit to Tim's time.

The second part is that of all the things that you're doing, some of them will have far more impact on your business than other things. And that's the Pareto Principle, so the 80/20 rule: 20% of the things you're doing will get you 80% of your results, and 4% of the things you're doing will get you 64% of the results. So that means 96% of the stuff you're doing is getting you like 36% of your results. It's not really a good return on time investment, is it?

#### **Segmenting high-value tasks**

So, a natural step is to write everything that you're doing or record everything you're doing for a cycle; that might be a week, it could be month, depending if you have a steady routine or not. And then you want to seek to identify which of the things, and you might be able to segment them in different ways, but a



simple way might be, you could segment the high impact things. So you speaking from stage might be a high impact thing 'cause you're getting paid the big bucks per hour. Then you have the sort of medium stuff that you could do or you couldn't necessarily have to do; they're doing something. And then there's the low stuff.

Remember to include stuff that might fall outside the business. Strictly speaking here, it could be things such as mowing the lawn, or repairing a tire on your bicycle, or preparing meals for example, because there's lot of options for you to eat healthy outside the house now as well. There are ways that you can get rid of this low yield stuff and typically, you want to be hiring or finding somebody to take whatever low yield or medium stuff you shouldn't be doing off your plate.

#### **Deleting things that have no impact**

And of course, one of the obvious ones is to just delete stuff. There's probably things you're doing that have absolutely no impact at all, like get you no results. I'll give you some wild examples.

One of the popular blogs just deleted their Facebook page.

**Tim:** Yeah. I saw that. Is that the Copyblogger?

**James:** Yeah. It has no result for them. It's not worth the effort.

**Tim:** I loved seeing that.

**James:** Well, imagine how much less effort is involved when you just, "OK, we'll just turn that off."

**Tim:** Yeah, yeah.

**James:** And I've done this. One of the things I've done recently is clean up my huge domain portfolio. I've literally sold or deleted the bulk of my portfolio to get it down to the core because now that the way that we do our SEO has changed and we've had the value from the domain, a lot of them had no longer going to be useful for me. And in line with that, I was able to reduce my staffing overhead, allocated to managing those sites, and I was also able to reduce our server requirements, literally going from 5 servers down to just 2. So, if you were to go back a couple of years ago, we had about 20 servers and 2,000 domains.





**Tim:** Yeah.

**James:** So, as things change, the best win is to just delete. Like just stop doing something if you possibly can.

### **Automate things**

The next one might be to automate using software. So for example, if you're finally going back and forth with your email, making appointments with people, sometimes it's better just to put a scheduler. And just let people book in the times without you being involved at all. All you get is a notification. So using ScheduleOnce or TimeTrade, you can do that. This is personal optimization.

So just a quick recap, you've got a limited amount of hours. You know that some of your activities have a high impact, and you've listed out all the stuff you do, you've crossed off anything that you just shouldn't do at all like delete, delete, delete, you automate the ones that can be automated; so for example setting a recurring alert in your calendar to do a certain thing rather than forgetting stuff, letting software tools take over instead of you having to do stuff like autoresponders or triggered emails when people visit a checkout page for example instead of you having to follow up people who were interested but never bought.

### **Getting the support**

And then the final step is, OK, of the stuff that's left, let's say, this is the stuff you must do, and only you can do, and creates the absolute best value for your business, and then here's the stuff that someone else should do. So I'm going to get someone else to mow the lawn, someone else to make meals, someone else to repair things, someone else to clean, and someone else to wash my shirt, someone else to wash my car. Now, what I'm going to do is I'm going to focus on the bits that aren't just easy to fulfill. Like everyone can hire a lawn mower, right? But where you're getting stuck, you should be getting someone to support you in the business, like your support helper desk or the support desk person, personal assistant, or virtual assistant; that type of person.

**Tim:** Correct. And I've had them before.

**James:** Yeah. And you're probably hanging on to stuff, maybe you're not being able to keep them busy, or is it that they're not being able to perform the role the way you'd like them to?



**Tim:** I think there's a bit of a mix. 40 hours a week, I don't have 40 hours a week of work for them. I have different types of work for them. I think one of the traps I fell into, and I know many more business owners do and I hear about the concept of a virtual assistant, I realized 2 or 3 years ago, but they're not magicians.

### 3 ways to hire the right people

**James:** No. It's not an instant solution. I think you hit on one of the solutions before. You said that training the right person fast. Well, the first person is probably realistically going to be a fairly slow transition. Now there's three ways to do this, I'll just briefly touch on this; the types of person you might get. One is task sourcing. That's the worst type. That's where you're going onto by the hour, you spend 4 hours finding someone to do a job for \$5 that you could have done yourself in 2 hours. It's not efficient. Or you have to send it back and forth 5 times because it's not quite there because you got the cheapest supplier in the market. So task sourcing is a real time suck. Ideally if you're going to be doing task sourcing, you got a virtual assistant doing that for you, not you. So put it a layer behind you.

The next one is a special service provider. So this is like the lawn mower or a chef. This is someone who just does that thing and they do it well. Like my business – [we build websites](#), [we do SEO](#), it's not efficient for someone to hire a person and try and train them how to build websites and maintain them and pay them \$40 a week, when they can just come to my site, pay us a set amount, and have an exact deliverable done the same day, instead of messing around with that learning curve, and the hiring, and the training. So people are trying to hire and train people to do the wrong things. That's really the lesson there. If you can find a specialist provider, whether it's an Adwords specialist, whether it's a hosting company, whether it's a conversion expert website developer..

**Tim:** Copywriter, graphic designer...

**James:** Exactly. Hire them on a per job basis, not on an hourly fee. Or hire them on a retainer with a royalty, or whatever deal you come out with, make sure that it's effective for you and effective for them. And I think that's going to save you a lot of burden. And these are just basically contractors you can bring in, and then they go. They're not really like an employee and you don't have all that responsibility of hiring, training, managing, firing; 'cause that's time consuming.



The third one is where you bring in your own employee-like contractor, which is what you were talking about this 40 hours per week. So assuming that that's the type of role you need, now in my business, I've got quite a lot of full-time contractors and we have ongoing tasks that are always going to need being done that I definitely shouldn't be doing. And that would be stuff like [support](#), handling our customer tickets for jobs that are in progress, updating customers with their reports when their jobs are completed, we have people [creating content](#), we have people [building websites](#), we have people doing the marketing content rollouts.

So for example, when we record a podcast like this, after we hang up, I'll drag the file into Dropbox. You'll go and ride your bicycle, I'll go and have a surf, and someone in my business will sit down with headphones and the keyboard, and they'll start editing this podcast. Put the intro and the outro, they'll load it up to the website, they'll put it on the website ready for publishing and everything. The next time I see it, it'll be on FreedomOcean, streaming on iTunes. So having that support is fantastic.

### **Training your team**

Now there are specialist services that do that type of thing on a small scale. So if you're not a full-time publisher, you might need someone full-time. But assuming you're doing quite a lot of volume, that's the way to go. But it does take a little bit of training. Now to train the editor, what I did, rather than hire someone who's got all these podcast editing credentials, 'cause they're going to be quite expensive and they're going to be pretty savvy in terms of other people out there who also want to hire them.

What I did is I hire people who weren't podcast editors and I actually go through the process with them. Now, if you virtually can do it screenshare, if you happen to visit the country like I do, if you're in the same country or you visit them; when I visit the Philippines, we sit laptop to laptop, and I do the training process, where I transfer that knowledge. I say, "Let me edit a podcast, you watch. OK. Now you do it and I'll watch. And then now you do it, and then just send it to me when it's done and I'll listen to it." And once that process is transferred, can you imagine how much time that saves me? If I would do 3 podcasts a week for the next year, that's 150 podcasts. That's 150 hours or 100 hours that I don't have to listen to my own voice back taking out uhms and ahhs. So it's highly leveraged.



**Tim:** So you got that sunken cost in time upfront like what you do when you're employing anyone, and then you're free.

#### **Paying by the project**

**James:** I do. But then, now what you have is, I've got a fixed cost. So I have a fixed annual cost for editing. I pay X amount for the wage, and for that person, if I do 10 podcasts, or I do 500 podcasts, my fixed wage is the same. So my rate per podcast will change, depending on my productivity. So you probably guessed, on my list of activities that I should be doing, one of them is doing podcasts because it's hard for someone else to be me. You know, there's only one me, I bring my personality to the podcasts, as you bring your podcast personality.

So we have this unique role but it also grows our business, it's a creative endeavor pursuit that we enjoy, it's a way for us to express ourselves and to pass on knowledge, you can feel good about it. So this is the role I want to do, but I don't want to edit, I don't want to transcribe, I don't want to publish the stuff. Maybe I'll syndicate it because I can put my own voice on that. But anything that I shouldn't be doing, can't do, don't want to do, I'll just have someone else do it, or we won't do it at all.

And I could tell you, there's a long list of stuff that I just don't do at all because I decide it's not worth it. And one of them is to take LinkedIn off my sharing rounds. You know, there's no point me sharing stuff in LinkedIn, I don't like it. It's like this big spam thing of business to business salespeople. I'm not interested in that market. So I don't bother. I just stop doing it. And it was so much easier the day I just stopped doing it.

**Tim:** So Jimmy, just to pull you up in there mate, that all makes sense, what you've said so far makes sense and there's a whole lot of people like me listening, who probably at some point in time, have thought that the virtual assistant was going to be the cure-all, right?

**James:** Yeah.

**Tim:** Get someone at 5 bucks an hour, generally in the Philippines, 40 hours a week, and they do everything you don't want to do. We know that's not the case. We know that those people are few and far between. And in fact, I remember interviewing a girl on my [SmallBusinessBigMarketing](http://www.SmallBusinessBigMarketing.com) show a few months ago who did put a brief ad, she was a prolific video marketer in Canada,





and she did have a brief ad in the marketplace for what she called "The Human Swiss Army Pocket Knife." And she said it with a smile on a face, knowing that it was going to be hard to find that person. Someone who could literally do some editing, organize a logo design, upload a blog post to WordPress, arrange for the next series of interviews, you know, like the whole lot. Those people are hard to find.

Therefore, what you're suggesting are these people who then, and I often talk about the idea of a marketing team, where you do have, even as small business owners, we can have a designer sitting somewhere in the world. A WordPress expert sitting somewhere else, a writer sitting somewhere else, an SEO person sitting somewhere else. And what you're suggesting then is finding them, and paying them by the project, not by the hour. Have I got that right so far?

**James:** Yeah. So far I agree with you. Some people think they're going to hire an all-rounder. Now I've got a couple of people in my team. Let's say my team is somewhere around 50 people, I've probably got 5 or 6 who you could classify as a Swiss Army knife. I mean, in the beginning, my team were doing everything. And then we specialized. Of the first 5 people I had in the business, one went off to be the bookkeeper, one went off to run SEO, one went off to run websites, and one went off to manage the marketing/publishing arm. And then they built little teams, and they just specialize. So I've got one or two full-time illustrators, and all they do is make infographics and pictures. I don't need them to do other stuff like book my appointments or calendar.

**Tim:** When you say full-time, do you mean 40 hours a week?

**James:** Yup.

**Tim:** That's a lot of infographics.

**James:** It is. But we do produce a lot of [infographics](#) and we also have an SEO business.

**Tim:** Oh, you're selling them too, aren't you? It's not just for your business, but it's for your clients.

**James:** That's right.

**Tim:** Yeah, I got you.



**James:** So we're a content company. We do a lot of articles, hundreds and hundreds of articles and illustrations and videos. So we have these, but that's my business. If I was just the publishing side, I was just doing the [coaching community](#) and my [high level mastermind](#), my team would probably be about 5 or 6 people. That's really what we need to drive millions of dollars of sales from the marketing side of thing. Now the SEO and the website development teams, I mean they require a lot of human grunt work. It's hardcore stuff. There's no automation anymore. There's no machines or spam bots. We're just doing it by hand.

### **Running your business with a small team**

So, I'm just talking about if I'm in Timbo's situation, it's likely, depending on what your goals are, if you just want to run your marketing blog and your community, and book keynote speeches, you could probably handle a small team of 2 or 3 people, and do most of the things. One could be quite good with Web dev stuff, one could be quite good with marketing and content stuff, and then one might be more of a designer 'cause you're constantly going to be doing keynote slides, websites, landing pages, and that sort of stuff. So you can do that.

And yes, you could have specialists around the world. For example, I've got a guy helping me with my Facebook advertising campaign. And he's somewhere else in the world. I'm not sure where. And he just helps me with just the Facebook stuff, and that's all we talk about. He's not in my team in the Philippines, he's not anywhere else in my project management system, he doesn't have a company email address, he just contracts for specialist Facebook advertising.

And also, I hired specialist Adwords guy for the last 6 years just to run Adwords campaigns for my clients. You know, you find the person who is the best person for that role, you work out a contract fee, they'd invoice you, they deliver. You're not hiring, you're not training, you're not managing them, you're just getting a deliverable result that is going to be world-class if you source well.

### **The best place to find people**

**Tim:** Is the best place to find these people still Elance?

**James:** I've never used Elance or oDesk in my life. So for me no.



**Tim:** Probably not 'cause you've got a team now that's already setup.

**James:** By word of mouth. You know, the Facebook guy, he was a customer of mine, and he kept sending me messages with ideas on how I can improve. The guy who designs my websites for the podcast logos and stuff, was a listener to my other podcast. He kept sending in logo suggestions, until one of them was actually quite good and we replaced it, and then interviewed him, and he came on to be a full-on [SilverCircle](#) client and he's doubled his business.

So they come from my network, they come from word of mouth. But these days, you could easily go to a Facebook group and say, "Who's good with such and such." That's where a lot of our business comes from. For example, SEO. "Who's an SEO master?" And they'll say James Schramko, and then they'll look up my website and then they'll come and buy something. So word of mouth is still as strong as ever. And that's how you can find supply.

Certainly, a community like your community, or my community, does any number of suppliers to the internet marketing industry. I've got Adwords, agents, I've got designers, I've got writers, they're all in there. And they basically are not hard to find if you're looking for a particular task. Sometimes, people just go to my [support desk](#) and ask us.

**Tim:** Obviously, your 50 strong team, I'm guessing is 90% plus based in the Philippines.

**James:** Yeah. There are 50 in the Philippines.

**Tim:** OK. So, you're big on that.

**James:** Yeah.

**Tim:** And, there's good reasons for that.

**James:** Huge. And I've tried other countries.

**Tim:** Right. So, you've just said going into communities in social media or forums and all that type of stuff. Generally, those communities aren't full of people based in the Philippines, they're full of people normally based in Australia, New Zealand, they're everywhere.



**James:** They are from everywhere. There'll be Filipinos directly, there'll be Westerners who have specialist services like my Web development.

#### **Why hire from the Philippines?**

**Tim:** So the upside of the Philippines is time zone difference is minimal, great English speaking people, and the cost of living is low, so the hourly rate is also low. So there's some upside to that. So, should there be like, if you are looking at surrounding yourself with this virtual marketing team, should you first look to the Philippines?

**James:** Well, you look at your own business first. How big is your business? What's your long-term goal? Do you suck at running a team or managing people? I'll give you an example. If you thought you're going to be updating your website a lot, you might try and hire someone in the Philippines to do your website development and hosting and work with you on that. Or, you just go to a Western company, like the guy who did your website, or my company, and you just say, "Here's some money, can you build me a website?" You put in the job, they build it, it's done. We go and hire the labor, we manage the team, we make sure they're effective, we guarantee the work.

Like in my website team, there's 10 people. So, if we come up against a code challenge, we can put it between 10 people in our private discussion and say, "Who can fix this?" It's going to be much faster than hiring one contractor off oDesk or whatever. You're really limited when you go for one person. So, you really have to figure out what's the right solution for your business.

#### **Should you build an army?**

If you know you're not going to hand over jobs, if you're not interested in hiring or training or managing, then there's no point building a small army because it's going to disintegrate. You're better off just to deal with contract specialists who know what they're doing. You agree on a rate, either ongoing or one time, depending on what you need and just deal with a small group of suppliers instead of trying to build your own thing.

And if you think you're always going to have that demand, if you think you can manage people quite well, then sure, go and build your own team. But I can tell you, a lot of people have gone and built a team of 5 or 6, and then 6 months or 18 months later, they're like, "Who needs a Web developer? I've got to let it go." I see it all the time. It's not for everyone. It really does take a whole set of new skills doing human resource. It's because, you know, humans by nature, they're





very emotional and tricky instruments to deal with compared to logical stuff like Facebook ads.

So stick to your core strength. For you, that's probably speaking and producing content, and find the best possible solution for delivering the stuff. But I would say it depends on two main things: one is, what is your business and where are you going with it, and two is, what are you currently doing right now that is stopping you from having the right business in the first place? Because all that stuff on that list, I would go through that list with you and I'd say, why do you do that? Do you need to do that? No? Cross it off. Or why are you doing this when there's plenty of experts around who could do that? And one of the biggest false economies is people do stuff to inverted commerce, save on the money.

#### **Why building your own website is a mistake**

Let's just take an extreme example, websites. The most common one, and I certainly did this, I'm a number one offender, building your own website. It took me like 2 years to properly build a website. Am I kidding?

**Tim:** Why would you ever?

**James:** Well, a customer can come and pay us \$299 and have a website today or tomorrow finished. With all the opt-in integrated, a new logo made, posts moved across, plugins updated, everything. That is a huge saving of time. So in my case, I probably worked on my website for like 5 cents an hour. And I should have just paid someone else to do it. And that option is there, that's why my service was created.

**Tim:** You're absolutely right, it was a dumb thing to do. But you also learned a lot along the way. You also do have a lot of knowledge that you wouldn't have had if you kind of immediately gone and got someone to do it. So what value did you put on that?

**James:** Yeah, it's true. And I wouldn't have found my affiliate program. However, I didn't know what I was doing. I had no idea what my expertise was, I didn't know what I was going to sell, so I just tripped over it. If someone is an expert, if they're like an educator on a particular topic, they speak from platforms, if they've published a book, if they have an e-commerce site, kids' toys or whatever, if they already know their thing, the last thing they should be doing is being a low-paid Web developer because there's plenty of Web developers out there. And that's just an obvious example.



**Tim:** That's a good example, and particularly for our audience and my small business audience. I have a colleague, she was giving a talk about 2 months ago, probably on a topic that she shouldn't have been speaking about, but she'd been asked to do so. And one of the questions she had was, "What advice would you give to a small business owner wanting to get a website up?" "Which platform should they use and how should they build it?" Like everyone's responding with all WordPress, SquareSpace, Joomla, this, that. There's all this, and it was like I came in about 50 comments into the discussion and said something to the effect of, "No small business owner should be building their website. They should be focusing on creating really helpful content." And it was almost like the discussion stopped and diverted. And it was like...

**James:** I don't build my own website.

**Tim:** Yeah, it was like, "Oh yeah, that's a good idea." We've got to be mindful of cash flow.

**James:** And it takes discipline. The other thing is, just because you can do something, doesn't mean you should. I'm not editing my podcast, I'm not building my website. I can. I can do it just as well. I definitely edit my podcast really well, and I've got that personal feeling about what should be here or there, but it turns out that it's not the most effective use of my time. I'm better to recharge or get on to the next project.

#### **Do you have the cash flow?**

**Tim:** There's people listening right now, Jimmy, saying, "Oh, it's all right for you guys, you've got the cash flow to do it."

**James:** I didn't always have the cash flow to do it. My business started from scratch.

**Tim:** Yeah, yeah. Absolutely. I just want to say to that though, that there's the cost of employing someone, which you may or may not have money to do that. There's also the opportunity cost of actually you doing the job, which stops you from actually doing other things that you could actually earn a good coin from. So it's about putting it...

**James:** And I guess it comes down to the activities we mention. Work out your capacity, work out your 80/20 and that list of all the things. Why don't we just



run through a few other things that I got other people to do when I was starting out and why, and what it meant to the business?

**Tim:** Go for it.

### **Building the team**

**James:** All right. So the first thing I hired was a support person because every day I was fulfilling bonus requests like 3-5 a day, and it was so much easier for me to pay someone. It was \$1,000 a month, a U.S. guy would log in and answer them for me. So now, I didn't have to do them. I didn't have to log in everyday, check 5 people in a cart, send 5 emails. It freed me up to get on to the next thing.

Next thing was content. I can't type very well, I didn't think it was a good idea for me to be writing all my articles. So I paid someone. And I just did the sums. So I worked out what it costs to have the articles written, and how much affiliate commission I could make from that content, and once it broke even, it was worth doing. So I got a content person.

By the way, that person I trained from scratch. I found her at the job that I was working at. She had no idea about this entire industry, that even this job existed. I trained her from absolute zero because she was such a good writer, and she went on to grow and build her own business from that. So, that's just an example of go and catch your own. The first guy, the support guy, was just a word of mouth friend who'd worked on another project, and he actually installed my first [superfast help desk](#). His name is Matt and he'd answered the tickets for years, until I ended up replacing him with my own team. But many years down the track.

Then I got help with advertising. As much as I was good with Adwords, you're kidding yourself if you think you're going to run your own FaceBook or Adwords campaigns now. The level of knowledge you need is so high. You have to spend a lot of time and effort to learn that or you'd be paying a stupidity tax. So I started outsourcing advertising experts.

Then came design because as you know design is absolutely critical and definitely overlooked by a lot of people in the online space. Getting proper logos and websites is actually really important because it's online. Trust and impression, it's the way people feel about you, so design is important.



And then I had a VA, a fair way down the track, who I can just send instruction to and she will just organize it, which is great especially following me up for things or reminding me stuff or chasing me down. Because a calendar can remind me but my VA will actually track me down and insist that I do something. It's good to have that back-up.

And bookkeeping. This one is something that I put off too long but I used to spend two days a year sitting down with all my stuff for the year and trying to do my own preparation to take to the accountant, buy a calculator and T-column and pen, and it was just frightening. And then of course when the business got big enough, we went to quarterly statements and now we have Xero online. One of my team members updates all the costs and charges and classifies them and now we can run reports, we can know our monthly profit, all of our costs by department. Everything is completely up to date, tax paid to the minute.

And knowing the numbers is absolutely critical in a dynamic marketplace. So that is something that I encourage you. Again, bookkeeping, there's plenty of services you can get out there for a couple of hundred bucks a month that will do all your receipts depending on what country you are in then you will be completely on top of your numbers. One of the worst things in business is being like a year or two behind on your tax return and flying in the dark.

**Tim:** That's it.

**James:** That's pretty much it.

**Tim:** Love it mate. And each one of those, you just literally found in your network?

**James:** Yeah, well they found me a few times.

#### **A general rule in sales**

Now, just a general rule of advice with sales, if someone's contacting you, generally it's not as good for you as them because they're usually a salesperson but it depends on the context. Now, because I have [coaching community](#) and because I had a podcast, the people finding me weren't trying to sell me stuff. They were just trying to help me because they knew more about something that I don't. I get emails all the time about how to speed up your website, or how to do this or that, 'cause I have mentioned something in a podcast, like I've mentioned bookkeeping, I'll probably get an email from an accountant, telling





me something to do with bookkeeping that I didn't know because there's a lot of specialists out there who can't get customers and they resonate when they find someone where they can solve a problem or add value.

So for most of those roles, I just hired a specialist service, the VA I think, was the only one that I hired internally from that list in the beginning. And now, almost all of those, except for one I handle internally. But I still don't have any in-house advertising expert. So, we do a lot of stuff in-house, but we sort of do everything in-house and we've got the resource to hire and train and manage. But there's some skills that I think you're just going to be really struggling to get really strong in-house. And I think Facebook and Google Adwords is one of them. Because anyone who knows their stuff with that can come on a huge rate.

#### **The role of your VA**

**Tim:** Jimmy, is there a point where you do put on that VA to start to be the in-between person between you and your team?

**James:** I think 6 people in the team is as many as you can handle by yourself.

**Tim:** Is that 6 full-time people?

**James:** Right, 6 is the number, 6 or 7. You can't really manage more than that, so you need to put them at arm's length at some point.

**Tim:** Up until then, put aside the idea of a VA, and just focus on having specialists in particular areas. Having a designer.

**James:** Well actually, I think, if you can find a VA with some sort of responsibility or whatever, that's going to help you hire 5 or 6 people on the ground, with that inside knowledge, with that cultural context, with the language, and everything. That's a good strategy. My first hire in my Filipino team, helped me hire probably 35 of the 50. So it was a really good move to get someone who was clearly switched on. But again, know when I started with online marketing, these people never heard of WordPress, or Internet marketing, nothing. I didn't look for those people. I looked for people who could communicate, who were trustworthy, who were intelligent, who were motivated, that I could groom and train into the perfect person. And here's the thing, we've been going on for 5 years straight now, so it's a very stable, very loyal, amazing team, absolutely wonderful.



**Tim:** Can you share some indicative hourly rates across some of those tasks that you've mentioned? You've talked about design, you've talked about writers, VAs.

**James:** Well yeah. So I never worked on hourly rates for anything. So I wouldn't know.

**Tim:** OK, talk about a monthly.

**James:** I either work full-time rates, which is monthly, or contractor's rate. So, for support, I paid a guy part-time U\$1,000, he was an American, in the beginning. But in the Philippines, you'll get a full-time person for somewhere from U\$500 to U\$700 a month. And virtual assistant, depending on their skill set, again somewhere from \$500 to \$1,000 a month, depending if they're very skilled or senior. Content people, depending on the type of content, it could be like \$400 up to \$800 a month.

Advertising, now I don't do that in-house, so if you have a company spending \$15,000 a month on adwords, you could easily pay someone \$1,500 a month to manage that campaign, and it will be a great value for you. If you are a small company doing like a thousand or two on Facebook, there's plenty of suppliers out there who might charge \$300 or \$400 a month. But you're playing such a small game, maybe it's not even worth that. For design, you've got everything, from 99designs, where you might pay \$600 or \$700 for a logo contest, through to you might pay \$600 to \$2,000 for a professional designer to make you a logo or a Web wireframe.

**Tim:** It's actually a lot less.

**James:** Yeah. Maybe you can pay less. I think one of my clients paid \$600 or \$700 for a logo recently.

**Tim:** You know they sponsor. You know how designs are having to sponsor my other show, and you can get designs down from like \$299.

**James:** Right. But I think you can set the rate to attract the designers, right?

**Tim:** Correct. The more the price money, the ..



**James:** I'm probably being conservative here. In-house designers, they're going to be worth a little more than the other types of people. If they are good designers, again \$600 to \$900 a month U.S., you get a really good designer in the Philippines. Bookkeeping, there are services for a few hundred dollars a month, full-timer. I think in our business, someone takes 50% of their time. So you could say that that's probably \$350 per month, \$400 per month, that I'm paying for bookkeeping, U.S., which is significantly less than what my accountant was charging me. And he recommended I go to my team. He said, "Get your team to do it. They'll be cheaper than us, they'll be quicker than us." And it turns out, they're a lot more accurate than them too. Because they have context. They now what an SEMrush is, or majesticSEO that the accountant doesn't. So I don't have to re-educate the accountant. Now the team knows what the cost is.

**Tim:** Good mate!

**James:** That's sort of a rough ballpark.

#### **A recap**

**Tim:** That is very helpful. So to recap, write a long list of everything you're doing, automate what you can. First of all, get rid of what you can, delete, automate, and then delegate. Start to build that virtual team.

**James:** Only do the high impact stuff. The medium stuff has got to go. Just give it to someone else. And that might be, either a specialist service provider, or you think, "OK, I'm going to manage and lead, and train these people, or go the long haul. And I'll get the cheapest rates for the longest term." But just remember that running your team requires special skills.

**Tim:** Well hopefully that will free people up to spend a little bit more time in the ocean. Like yourself, mate. You'd be itching, wouldn't you?

**James:** Yeah. Exactly.

**Tim:** You would be itching. Are you heading out now?

**James:** I can't wait.

**Tim:** Right now?



**James:** Yeah, it's 4 feet right now. So, I've been watching it all morning. I'm frothing. I'm a 43-year-old grommet.

**Tim:** I would want to get on my bike right now but that ain't going to happen. So that's fantastic. All right. Well, I reckon that's enough. That's a headful of great knowledge. Listeners, if you do take on any of these and have some success, or even don't have success and still hit some blockages..

**James:** Yeah, tell us your challenges.

**Tim:** Tell us your challenges. There is the show notes if you go to FreedomOcean.com, in the comments' field, Jimmy and I will look at those comments and respond to them. You can always hit us up on Facebook at [Facebook.com/freedomocean](https://www.facebook.com/freedomocean). We'd love to see and hear what you've got to say. Plus we send emails out for each episodes, so you can always reply to those emails and we see and respond to those replies. So lots of ways to get to us. Jimmy?

**James:** Yup. Well, you have a speedy recovery Timbo.

**Tim:** I will mate. I will absolutely. And listeners, I hope you enjoyed it. See you next time.

**James:** See yah!

**Outro:** Thanks for diving into the ocean with James Schramko and Tim Reid.

You've just come that a little bit closer to living the life you choose. Please keep in mind that the ideas, opinions, and information shared in the show are those of the hosts, and do not reflect those of their past employers. And as far as future employers go, well, they're both pretty much unemployable.

[END OF AUDIO]