

SIDE HUSTLE BIBLE

BEST-SELLING AUTHOR OF *CHOOSE YOURSELF!*

JAMES ALTUCHER

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• • FOREWORD • •

You might not know my story...

I'm far and away the most successful person to ever come out of my high school...

Bob McNulty, the father of e-commerce, said of me, "Trevor is the most talented person I have seen in business in the last 25 years." And Harvard Business Review said of me, "Today he is considered one of the greatest experts in digital marketing in the world." I have a top-five podcast, beating Tim Ferriss and Tony Robbins. I speak all over the world on marketing and internet technologies. Each year I take my children on a right of passage trip. We've summited Kilimanjaro, circumnavigated Mt. Blanc, and trekked into Choquequirao. As a family we spend half a year on the road...

But things weren't always this way.

In fact, if it weren't for James Altucher, my life would be very different.

I call it "The James Altucher Effect."

You see, I was young, in my twenties with over 40 employees, multi-state company, millions in revenue.

Life was good.

I opened an office in Florida for one reason: to buy a sailboat, float down to Necker Island, and hang out with my best friend Richard Branson. Of course, he didn't actually know

I existed, but that didn't stop me from opening that office in Florida, and imagining that one day I could make our friendship happen.

Oh, that naivete of youth!

Within a few short months, it all came crashing down.

It was the recession and I lost nearly everything: tens of thousands of customers, dozens of employees, my life savings, my dreams...

Even my self-confidence. I remember lying on the floor, curled up in the fetal position, stressed about payroll so much that an internal thought about "tomorrow" brought an immediate external manifestation today. I crawled into our master bedroom and asked for help from my young bride, admitting for the first time that I alone could not fix this. I remember coming home for her birthday with a guinea pig (all that I could afford) in a cardboard box, because a plastic cage was a few bucks more — more than I had. Excited to give it to her, I searched through the house but could not find her. Eventually I heard her in the closet, crying, on the phone with the credit card company, asking them to defer our payments.

I learned two things over the next six months:

1. Never go into a business people cancel when times get tough. The recession was one of the toughest times on record for most people, and overnight the pest control business I'd spent years building vanished into thin air.
2. Whatever you do, do it simply. I kept attempting to fix the problem by adding more things to my ever-growing to-do list. Anytime you want to make lasting change, you start by asking yourself the question, "What will I no longer tolerate?" Life is already too complex. You can never fix a complicated situation by adding even more layers. Resolute, I followed those two rules. Years later, I had not only recovered but was doing much better than prior.

I was a "success story."

But something was missing...

I found myself working 12–16 hour days. I had cash, but I lacked any semblance of freedom...

Despite the positive signs, there was still a polarity in my soul I could not reconcile. I woke up every day with this feeling that *TREVOR, you are more than the life you are living.*

A few more years went by. More of the same. I had given up hope of spending time with my family, consumed with the day-to-day of making a living.

That's when I came across a man that I considered, perhaps, the unlikely success story.

He had curly hair, was not particularly handsome, spoke without the elegance of a statesman, was apparently reclusive in crowds... Yet he had achieved far more than many of the people I held in esteem.

More importantly, he seemed to have solved the issue of the polarity I was still struggling with.

I subscribed to this man's newsletter, *The Altucher Report*. One day, I was reading the current edition and came across an article about some newfangled arbitrage method that involved Alibaba and Amazon. I was intrigued. A seed was planted.

But I didn't take action.

That's when something happened in my life that changed everything.

At the time, I owned a large, multi-state company. And my marketing department complained they needed more money. They were spending, but they weren't earning anything for the dollars put out. I was exasperated.

That's when I got to thinking. *What if James is right? What if with a little elbow grease, you could make something from nothing? Could you really have the power to control not only your financial destiny but your time and freedom too?*

With zero prior experience in e-commerce, I used \$200 and and tested out James' Alibaba Arbitrage method.

Just 92 days later, I hit \$1 million dollars. Three months later, I hit \$2 million.

My story is a decade-long overnight success story marked by one critical, magnificent moment of serendipity: the James Altucher Effect — when something James writes hits you deeply and you make an attempt to change what is common into the uncommon... amazing transformations take place.

Most major publications reach out to me for comments on my field of expertise.... and like James, I share because success is sweetest when shared.

I invited my mom and dad to follow suit. With only \$40 in spare change, they followed the path I forged from James' article... A year later, a seven-figure company was born by two people in their early 60s.

Not long after that, 300 people followed suit as I've shown them what I learned from James.

Dozens have made millions. Over a hundred have retired from their day jobs. All of this came from taking action at James' recommendation. I am no different than you. In fact, I'm a poor kid from Guam. The odds were not in my favor.

I invite you to put your trust in a man that I put my trust in — a decision that changed my life. Follow his story. Read his books. Listen to his audio. This book you are holding in your hand is very likely your own newsletter... Read it when your life is not going quite the way you know it should. If one of us can change our life, we all can. James has helped tens of thousands and I know you can be next.

I invite you to follow in step and be free.

Trevor Chapman

• INTRODUCTION •

Side-hustling saved my life.

I was broke, losing my home, the IRS was calling, and I had two kids to raise.

I couldn't get a job. Nobody wanted me. I had squandered every opportunity I had, and I was depressed and anxious.

I wish I hadn't been so depressed. The economy was in a recession and all of my network had abandoned me. I was useless and afraid and broke.

Necessity is the blah blah blah. I forget the phrase. It's not important. I had necessity. I needed to support my family. I needed to stay alive rather than rely on a life insurance policy to take care of my two daughters.

But I didn't know what to do.

I didn't have confidence in myself. How could I build up one income stream, let alone seven? How could I handle the instability? How would I survive? How would I feed my family?

There was no resource. There was no guide. There was no list of ideas.

And the economy itself wasn't ready. Now it is. Now the economy has two things going for it:

- Tens of millions of jobs are about to be displaced by AI,

robotics, and blockchain. THIS IS NOT AN EXAGGERATION. The number is probably much higher.

- The web and mobile have finally created the ecosystem where searching for good and profitable side hustles is easier than ever. The tools are right in front of us to make millions living a very alternative and FREE lifestyle.
- Corporate incomes (i.e., regular jobs) have been going down versus inflation since 1992. That trend is not changing.

The time is now to focus on how to create alternate streams of income. But back in 2002, and in 1995 before that — and in 2005, 2010, 2013, 2015, and even yesterday — the only way I was going to be happy was if I dived headfirst into discovering the side hustles that I wanted to do.

Because I realized early on that the key was not just saving my life, saving my family, and bouncing back from suicidal depression.

The real secret for finding the right side hustle is that I wanted freedom.



I've been trying to side hustle since I was a kid.

I don't know why. I think I was afraid to fail if I tried the "regular" path to success: good school, good job, rise up, get promoted, depend on corporation to provide for me and not fire me, and finally retire.

I felt like I would not be able to pursue things I was passionate about. I was afraid I wouldn't be good at a 9-to-5 job, taking orders from a boss — and always pandering to his or her idiosyncrasies while I went to sleep every night praying to be promoted.

And finally, I realized I would not make REAL money that way.

What is "real money"?

For every person that number is different. And if you are always doing what you love, the amazing thing is that the number gets smaller and smaller.

The average multimillionaire has seven different sources of income according to the IRS.

"What!?" I thought when I first read that.

How do they do that?

A job (one source of income) is already taking up 60 hours a week if I want to succeed. How do I do SEVEN jobs?

You can't.

A side hustle is not a job. A side hustle is not even being an entrepreneur and starting a business (since running a business is also only one stream of income).

A side hustle is a way of life. It's looking for opportunities, finding where you can offer value in those opportunities, convincing the people who need that opportunity solved (because every opportunity starts with a problem someone can't solve) to let you solve it for them, and charging for it.

Then repeat, then repeat, then repeat, and so on. Forever.

And you are more likely to find the true opportunities in things that you love then in things that you don't love. Because you will live and breathe the nuances and see things that others have missed.

Let's look at this one step at a time and connect the dots on why this is a mandatory topic right now.

Opportunity is when a product or service can be done (or found) by you cheaply — and sold for a more expensive price to someone who needs it.

Where can you offer value? There are many websites where

you can meet and find buyers of your services or products, particularly if you are offering something of quality value (which is where it is a must to love what you are doing).

How do you convince people you offer value? It's a combination of persuasion (and I've done many podcasts on the topic), building a platform, and establishing your expertise.

How do you execute so that you can scale what you do (i.e., do other side hustles)? Some of this is delegation. Some of it is in how you charge. Some of it is in automating part of what you do. Each side hustle is different, but this question is always solvable once you get into the rhythm of the side hustle.

How do you find what you love? There are a lot of answers. First, there is no ONE THING that you love. Even if you believe that humans have soul mates, it's not true that humans also have soul passions.

You might love music; you might love football. You might love airplanes.

I look at Jesse Itzler who's been on my podcast twice. He was a horrible student. But in the early '90s he made a rap song (check out "Jesse Jaymes" on YouTube).

In the early '90s, there was room for only one rapper of Jesse Itzler's demographic. And Vanilla Ice took the spot.

So what did he do?

He did a side hustle. He started making playful, short, fun songs for football teams. Soon he dominated the industry of making theme songs for football games that all the fans would sing.

He combined his interests in music (where he was not among the best) and in sports (where he was not among the best), and became the best at the intersection. He then found an opportunity (no teams had theme songs), found the partners who could

introduce him to team owners, and easily composed and created their songs. Then he sold the business.

Then he flew on a private jet for the first time. Private jets are expensive! He figured out a way for people to book private jets that were just sitting around for cheap. He sold that business to Warren Buffett (Marquis Jets was sold to Buffett's company NetJets).

Sticking to his interests, he built up by going from one side hustle to the other. And now he owns the Atlanta Hawks basketball team, keeping true to his interest in sports.

Side hustles are not something you do just once or twice.

They are a lifetime of doing what you love, succeeding at it, and leveraging the skills and contacts you built from one into more side hustles.

Here's a trick for finding something you love: List everything you loved doing at the age of 13.

Go ahead, I'll wait. I hope you have a waiter's pad. Fill up one page of the waiter's pad.

I'll do it right now.

I loved computers, chess, breakdancing, politics, biographies of billionaires, reading about investing, science fiction, reading about successful writers and journalists, self-help.

Then figure out how these things have "aged." Computers when I was 13 were very different from computers now. And I'm certainly not going to be a professional breakdancer or even a professional chess player.

But some things have aged in such a way that I can use my initial loves and passions, and turn them into businesses or side hustles now.

I think of Matt Berry, who was a successful Hollywood screenwriter but desperately unhappy.

He loved sports as a kid. He gave up his career as a screenwriter and started writing blog posts about fantasy sports for

\$100 a post. That's it. \$100 a post. THAT was his side hustle.

He built it up. He wrote for more blogs. He curated what were the best posts out there. He became a contributor on ESPN — and later an anchor — about fantasy sports.

When we walk down the street together, people come up to him out of nowhere and just want to shake his hand and say “thank you.”

MY FIRST SIDE HUSTLE

Unfortunately, I'm a little embarrassed about my first side hustle. I won't quite count it as my “first,” but I will describe it anyway.

I hated high school. I didn't really want to go and my grades weren't that great. I didn't understand how dissecting a fly was going to help me in life, particularly since I hated doing it.

So I decided one day to skip school and actually apply for a job. I was going to do telesales for a local newspaper, *The Princeton Packet*.

Somehow I got the job. I don't know why the interviewer didn't ask, “Do you go to high school?”

I could show up any time, and call as much as I want, and get a percentage of what I sold.

I had to skip school to do this, but that's OK. I was also skipping school to collect metal Coca-Cola cans out of garbage bags and return them to stores where they would give me 5 cents a can.

I was also writing a book on how to solve the Rubik's Cube.

I was skipping school so much that the school called my parents. They also called the police (they were worried I was kidnapped). And I was grounded for life. My parents would walk me to my bus stop and make sure I got on the school bus. (That didn't help. I still skipped once I got to school.)

But, I should add, I wasn't good at telesales. I was embarrassed about going through the garbage to find soda cans. And I didn't finish the Rubik's Cube book.

Yet they were all the seeds of future side hustles. Every setback has the seeds of learning, opportunity, knowledge, skills.

Let me tell you about my *real* first side hustles — where I was doing multiple things simultaneously and how I translated it to success.

I had a boring corporate job doing computer programming.

This was in the mid '90s and I wanted to do more.

My brother-in-law was trying to do a company making CD-ROMS. (What are they? Good question. They are nothing right now.)

I showed him the internet. This is in 1995. I had no business sense except to say, “This is going to replace everything we know.”

So together we learned how to make websites, do very sophisticated web software, have a vision about where this internet thing was going so we had a persuasive way to sell our services, and we started getting clients.

Our first “side job” was to do a website for a diamond dealer. He was a wholesale dealer in NYC's diamond district and wanted to sell direct to retail.

But in secret. “My competitors would kill me if they knew.” (He later died in a mysterious plane crash over Russia while searching for diamonds.)

I say “side job” because of course I had my full-time job. DON'T QUIT your job just because you get one side hustle.

Take your life seriously. Don't gamble it. I needed my stable income while I figured out how to build up my skills and network at side hustling.

We did the job for \$35,000. I got \$17,500. The site still exists: **DiamondCutters.com**.

I used my share of the money to move to Manhattan and I lived in the Chelsea Hotel so I could be close to HBO (my full-time job) and my brother-in-law.

Then, because we showed we were one of the few people around who knew “this internet thing” — and we were good at convincing people this was the future — we got our next gig: **AmericanExpress.com**. Then **TimeWarner.com**. Then more and more and more.

But I didn’t want to quit my full-time job. I had another side hustle.

I wanted to make a TV show. I was a programmer at HBO. Why not also do a TV show?

So I created a website for them called “III:Am” (pronounced “3 a.m.”).

I would interview people every week at three in the morning on a Tuesday night. If someone was out at 3 a.m. then, they usually had a reason — and it would usually not be a very good one.

I did that for over three years for their website, which gave me skills in interviewing (skills I use over 20 years later for podcasting, comedy, public speaking, and other things). Eventually I pitched it as a TV show.

It didn’t work out. (For the reasons, see my podcast with Sheila Nevins, who was the head of documentaries and reality TV for HBO then. “I made a mistake,” she told me, 20 years later.)

But it was a side hustle. Some work, some don’t.

Then we tried to make a record label. That didn’t work.

Then... we tried to make a tea company (don’t ask).

Then we tried to make a company that would keep track of actors, directors, writers, and their agents (like IMDB pro). We didn’t make it work.

But we found more and more companies that wanted websites. We developed a niche. Gangster rap record labels. (Again, don’t ask.)

But that niche was enough to build this “side hustle” up to a big business that we sold for millions.

Millions I promptly lost — but it was my first taste of what a

side hustle was, how to scale it, how to sell my services, and how to monetize it if it becomes a business.

I wasn’t good at it then. I had no clue what I was doing. And I didn’t realize all of the opportunities in front of me.

I could’ve divided up that first side hustle into services (making websites like we did), as well as software (the software I was building to make it easy for me to make dozens of websites in a week — think something like WordPress), and even investing or consulting.

But I focused on the most profitable but least exciting version: making websites. Because I didn’t know how Wall Street worked and how it valued companies and so on.

I had done a side hustle. And it worked.

But it would’ve worked a lot better if I had this book. And I understood the true “art of the side hustle.” The ability to take a side hustle and maximize the value of it while you do 10 other things at the same time.



Every job and opportunity I had after that started as a side hustle, often simultaneously with many other things I was working on:

- Investing (this turned into running a hedge fund, which turned into running venture capital money).
- Writing (combined with investing, this turned into many popular finance books. And then when I wrote self-help it brought even more success, with millions of copies sold).
- Public speaking.
- Consulting.
- Podcasting.
- Creating newsletters and courses to help people flourish in the side hustle economy.

- Standup comedy (yes, even doing standup comedy is a side hustle, although not a very profitable one).
- Working on a TV show (in fact, directly related to the ideas in this book).

Everything related to the core interests I wrote down on my list, “Things I loved at age 13.”

Two areas to remember: Economy and the “Art of the Side Hustle.”

ECONOMY

- Gig economy jobs are going up 100% per year or more.
- Again, tens of millions of jobs will be gone in a few years thanks to AI. Not just blue collar but white collar — and every color collar.
- The average multimillionaire has income streams from seven different sources. I have probably about 10 different sources.
- The technology is there to create thousands of opportunities.

THE ART OF THE SIDE HUSTLE

- Try to focus on what you are passionate about. The person with passion will always beat out the person with no passion.
- List 10 ideas a day to keep creativity at a high point.
- For every side hustle you do, figure out the other 10 side hustles that can branch off from the first one.
- Delegate. If you get one side hustle job, figure out how to automate it or delegate cheaply so you can focus on getting more opportunities.
- Practice looking for opportunities. If you see a website like Airbnb getting popular, is it a viable side hustle to

manage Airbnb properties? Is it a side hustle to create an Airbnb for entertainment shooting locations? Is it a side hustle to provide a concierge service for guests? And so on.

- Overpromise and overdeliver. If you are going to do a side hustle, promise the world (to get the job) and then exceed expectations (to get the next job — along with the network of the person you are providing a service to).
- Persistence beats rejection. Always give give give ideas to offer your services. When I do my podcast, 1,000 potential guests reject us for every 10 that come on. When I was creating websites, our ratio was 20:1 rejections. Writing books, 20:1 rejections. When I was helping companies get acquired, 20:1 rejections.
- Help people come up with ideas to better THEIR lives. If it betters their lives by \$100, they might pay you \$50 to implement it.
- Try multiple ideas at once. It’s not easy to figure out what will work, so you have to try many ideas at once.
- Connect the dots: Wyclef Jean, from the multiplatinum group The Fugees, described to me his “vacuum network” that turned his side hustle into a multiplatinum music career: “In the hood, I used to sell vacuums. That was my side hustle, to get some money to go buy another piece of equipment. But every time I sold someone a vacuum I told them that I had a CD coming out.” Then he asked, “So what’s your vacuum network?””

Side hustling has saved my life. It has fed my family. It has pulled me out of depression. It has saved me when I was dead broke and suicidal.

And it has gotten me the freedom I want. I’m beginning part two of my life now at age 50. I still side hustle, but feel I’ve survived 20 years of learning how to do it.

Now I want to share everything I’ve learned with you.



Welcome to the Age of the Side Hustle

I had a full-time job and I was afraid to do anything outside of the job. I was worried I was going to get fired.

But today, the “art of the side hustle” is completely different. The nature of jobs is different.

There are more opportunities than ever to make money on the side, *and* the loyalty of corporations to employees has gone straight down.

Plus, people only live one life — explore as many things as possible. While you do the task that pays the mortgage (a full-time job), there are many reasons to do a “side hustle.”

A) YOU CAN BRING IN MORE MONEY

In my *Altucher Report* newsletter, we’ve covered many possible businesses that can be started on the side — ranging from the “Alibaba Arbitrage” to self-publishing to using Freelancer.com to create apps, and many other opportunities.

Some of the success stories I’ve seen and written about have brought in enough money to add significantly to someone’s primary income — or even supersede it.

A side hustle allows you explore the new opportunities in the economy. It also allows you to provide convenient (i.e., you don't have to go to another office) ways to make additional income.

B) YOU CAN EXPLORE WHAT YOU LOVE

Some people are accountants... but they love photography.

In fact, a friend of mine works at a major investment bank and started taking photographs of all of her meals and putting them on Instagram. She had always loved photography and studied it in school. This was a way to put her skills to work without giving up on her main career.

Getty Images contacted her and now regularly buys her images of food. Will she quit the job at the major investment bank? Maybe, or maybe she continues to do what she loves on the side and gets paid for it. Either way, she is happier now than she was before she started side hustling.

C) A SIDE HUSTLE CAN TURN INTO A BUSINESS

I've written many of these types of stories before. But a great example is Hugh Howey, who worked on a sailing ship while writing novels on the side. His first 10 or so novels were good and provided a nice supplemental income. But then he wrote a small novella called *Wool*, which got a nice response from readers. So he wrote a sequel. And then another sequel. And then another.

When he combined the four sequels into one book, he had a huge bestseller on his hands. He quit his job and is now a full-time author.

The tools are there in every industry to create side hustles that turn into full-time businesses. I've seen people

do it not only in publishing, but also in e-commerce, SEO marketing, social media agencies, drones, laundromats, podcasting — the list goes on.

My own side hustle was 20 years ago. I was working full time for HBO. But on the side I was making websites for entertainment companies.

We were getting more clients every month. And after doing it “on the side” for 18 months, I finally quit my job and joined my own business full time. It was hard work but worth it. It was also great to spend the time to pave the way with the side hustle — until I knew I wouldn't suffer any loss of income when I eventually went full time.

Now, there are two factors contributing to the uptick in side hustles.

First, incomes for people ages 18-35 have gone down since 1992. And inflation-adjusted incomes for men have gone down on average — since 1969.

Meanwhile, churn or turnover at companies is faster than ever. The average job only lasts four years as opposed to a lifetime.

The side hustle is more important than ever to have as a backup plan.

Second, the side hustle opportunities are greater than ever.

In almost every industry, there are opportunities now to have multiple sources of income.

The average multimillionaire, according to the IRS, has seven different sources of income.

This used to be very difficult. How can you have more than one source of income if you have to show up at a job every day?

But today it's easier than ever before. There are hundreds or thousands of opportunities to make money on the side and see that grow into a business, a full side income, or simply something that pays you to do what you always loved doing.

Whether it's creating content, designing virtual realities, buying cheap on Alibaba and selling expensive on Amazon, trading stocks, or even just driving an Uber or renting out an Airbnb — there are more opportunities than ever.

When I first wrote *Choose Yourself*, I focused very much on the inner skills needed to break free from the social paradigms that have imprisoned us. Because those inner skills are absolutely what is needed to be creative, stay healthy, and find and execute on the opportunities around us.

But I've been most happy with writing my *Altucher Report* newsletter. We keep finding more and more stories of people who are willing to tell us, in depth, exactly how to create side hustles in hundreds of different industries. This is truly the path towards “choosing yourself.”

I am proud that we have become the source for people who want to change their lives and reinvent themselves. We all have one life to live, and finding fulfilling opportunities that generate the income we need to be free is a top priority to fully take advantage of what life has to offer.

Side Hustle 101: How to Achieve Freedom Risk-Free Today

Lise Cartwright is an experienced freelance writer, full-time author, and side hustle coach. She wrote the book *Side Hustle Blueprint* and runs the coaching service Hustle and Groove.

She's on a mission to help savvy blog and biz owners be successful in their side hustles or creative business — by utilizing proven email marketing strategies and monetization methods. Oh yeah, she's also addicted to Netflix, pretty shoes, and magic.

Nick Loper is an author, entrepreneur, and a lifelong student in the game of business. He's been making his living online since before it was cool. His latest role is as Chief Side Hustler at Side Hustle Nation, a growing community and resource for aspiring and part-time entrepreneurs.

As the host of the top-rated “Side Hustle Show” podcast, Nick explores a different business idea each week. He helps listeners discover the path to new job-free income streams. He's also the author of several entrepreneurship books, including the *Side Hustle Path* series.

During a recent interview, I asked them to share some of their best insights from starting their side hustles.



James Altucher: Tell me about how you got into side hustling.

Lise Cartwright: In 2011, I was working a full-time job. I was not happy. I had switched jobs every three years — just looking for something different but not really finding it. I got to the point where I was just like, “I don't want to switch jobs again only to land in the same sort of situation.”

So I started looking around for options and landed on a site called Location Rebel. Inside Location Rebel is all these blueprints for different side hustles — freelance writing, copywriting, being a web developer, e-commerce, all sorts of things. I joined and started out as a freelance writer with no previous experience. I was able to quit my job within 10 months. From there, I've just tried lots of different things.

Nick Loper: My original side hustle was a footwear comparison shopping site called ShoeSniper.com. It made money as an affiliate. It aggregated the catalogs from Zappos and Amazon and all these other stores. Every sale that came through the site earned a commission. That got me hooked. That was in 2008. Three years of nights and weekends doing that let me quit my first and only corporate job. And I've been doing the side business thing ever since.

JA: How did you get from the point of starting a side hustle to replacing your full-time income? Where is the line between making a little side income and creating a full-time business?

LC: I started with, “Okay, I'm just going to get to a point where I've replaced at least half of my income.” Basically I was covering all my bills. But you get to a point when your side hustle builds up to where you can't do it and do your full-time job. You just don't have that many hours in the day. I was very consistent about looking for ongoing work with clients.

So by the time I quit my job, I had about five steady clients. I switched them from paying me hourly to paying me on a retainer, and then just continuing that process. I replaced my full-time income within 12 months.

NL: A lot of people are out to replace their income — but really the short-term target is to cover your expenses. At that point, you don't necessarily need your job anymore because you're making enough on the side. It's kind of like the *Rich Dad, Poor Dad* definition of financial freedom. When your assets exceed your monthly expenses, then you are free. You can do whatever you want from there. Why would you keep working if you have this fun type of income or this other income stream?

JA: How did you find your first client? How would you recommend others do it?

LC: I was working through oDesk, which is now Upwork, so that's where I found the majority of my clients. It was definitely the easiest place to start because there are so many clients there.

NL: What can be really effective is on Facebook saying, “Hey guys, I'm starting a photography business and I'd love to do a couple shoots to build up my portfolio. Do you know anybody?” People will be tagging their friends so it's a cool way to go mini-viral. Even if your network isn't your target customer, it's tapping into your network's network.

I started a side hustle experiment — a freelance proofreading service. I was a decent student in English and I love reading business books. I've written a couple myself. I thought maybe there are other people that would be interested in this service. I actually got my first customers on Fiverr. With zero reviews, I started to get customers for that service and actually read

some pretty interesting titles through that. That would be the other theory — going where the cash is already flowing.

JA: With platforms like Upwork and Fiverr, there's this stigma that all of the jobs there are low-paying. Do you find that to be true? How do you build up to higher-paying clients?

LC: It's like anything. When you first start a job in your chosen career, you always start at the bottom. Upwork is exactly the same. Whenever I'm coaching students, I tell them the exact same thing: No matter what your work is outside of Upwork, when you're brand new to Upwork, your potential clients have no idea what skills you have — so you have to look at it from their perspective.

Upwork allows you to do all the tests, but realistically the only way that you're going to get in front of somebody when you're first starting is to bid on the lower-paying jobs initially — and then work your way up. But that process doesn't take very long.

I initially started out with a couple of blog posts that paid me like \$15. Within a month I was up to my chosen hourly rate, which was \$45 an hour at the time. You don't have to sit at that low-paying area for very long; you just need to get a couple of wins on the boards. You need to get some ratings because that's how people can judge that you can do what you say you can do.

That's the thing about having a side hustle: If it's not your sole source of income, then you can take the time to build that. You're not stressing about paying bills because you've still got your full-time job. So you can take the time to get that area right.

JA: How can someone identify a side hustle that is going to work for them and be profitable?

NL: It starts with what people already see you as an expert in. If they're asking you for help in X, Y, Z, that's a great place to start. I like to cross-reference my resume of skills with the outside interests of my network and see if I can find an intersection of those two.

LC: Everyone has skills that they can use. Start with what you know. Generally that is probably going to come out of what you do for your full-time job. Start with where you're at in terms of what you do in your job. Break it down into all the little micro-skills.

Once you write down all those micro things that you do in your job, you can go to a site like Upwork and see what people are searching for. Type in “spreadsheet” or “Google spreadsheets” or “mail merge,” and see what jobs come up. That will give you a really good idea whether that skill is going to bring you in any money.

If you just really absolutely hate what you're doing in your day job, then look at the things that you're passionate about from a hobby perspective. What are the things that you do in your spare time? I have yet to come across someone who doesn't have a marketable skill.

JA: What's the bare minimum people need to have to get started?

NL: The bare minimum is to have a customer, so I would say that's the first priority. Next, a website would be valuable with portfolio information, customer testimonials, contact page, About Me, pricing, that sort of stuff. Even with accounting, I tracked all this stuff in Excel. You send invoices with PayPal or you pay \$10 for Fresh Look, but it's all really low overhead stuff.

I think people overthink at the beginning. I'll talk to people who are working on designing business cards. That's in the realm of things that don't matter at all. If you're going to a networking event, maybe it's helpful to have something to hand out, but you can make this stuff for free on Vistaprint.

JA: How do you go about pricing your services?

LC: I started out with working out what my current hourly rate was at work, then I added 10% in for profit. Then I also allowed another 10% to 15% for taxes. When you start freelancing, initially an hourly rate is good, but you want to move into fixed pricing. You don't want to be trading your hours for dollars all the time. When I first started, my hourly rate was \$30 an hour. Then I increased that to \$45, \$55, and now it's \$150 an hour on Upwork. Don't get hung up on that hourly rate because you can always adjust that. Particularly if you go to a fixed-price contract, where the hourly rate is completely irrelevant.

NL: The general rule of thumb is, "Don't be the first person to offer a price." Figure out what this is actually worth to your client and then price accordingly — versus saying, "Hey, I'm going to do this for \$25 an hour." In general, you want to pad that number a little bit because you are going to have to cover that self-employment tax.

What I really like on the freelance/consulting front is package-based pricing to remove your hours from the equation. For the right client, they don't care how long it's going to take you. They're just buying this result, this deliverable — not 10 hours of your time.

JA: What are some side hustles that are trending or in high demand right now?

LC: People always need help with creating PowerPoint presentations, complex spreadsheet formulas. If you're a mathematical whiz and you're great with formulas and spreadsheets, that is definitely in demand. If you're more of a designer, if you can create book covers for Kindle, that is in demand. Editors are in high demand because there are a lot more people self-publishing now. Then anything to do with web design. If you understand basic HTML, if you know how to set up a WordPress site, those skills are in demand.

NL: The other area that's really hot is the e-commerce realm and tapping into the Amazon infrastructure. Essentially half of their inventory is crowdsourced. They say, "Well, you can tap into our world-class logistics networks. It's up to you to send the stuff to us and we'll ship it out on your behalf." There are several different flavors even within that business — starting with the very low-risk, low-hanging fruit. Just shop for clearance items locally and see what they're worth using the Amazon seller app on your phone. Then the other route is having something manufactured and importing that — working with existing manufacturers and brands to try to improve their presence on Amazon and develop wholesale relationships.

Then you could build your own e-commerce store with Shopify. You could drive your own traffic and not rely on Amazon search.

JA: Do you have any suggestions about specific places people can go today to make a quick buck?

NL: A couple places come to mind. For voice-over, acx.com is a place to start. You can earn passive royalties on audiobook sales as the narrator or you can earn a flat fee. Voices.com and voice123.com are probably the two biggest voice-over platforms.

One of my favorite sites is called clarity.fm. It's a by-the-minute consulting platform where you can create a profile and say this is my hourly rate and these are my areas of expertise. You can accept calls on there. It's kind of a miniature search engine to be discovered on. It's open to anybody.

I should add, too, that Fiverr has really upped its game when it comes to the upsells and the different price tiers, packages, custom bids, and stuff like that. They make a percentage of every sale, so they have a lot of incentive for people to sell bigger ticket items.

JA: How can someone grow their side hustle and attract new clients?

LC: If people haven't already, start to grow your email list. That is absolutely key. Having an email list allows you to market to those people for free. When I first started with clients, I would offer them a free 30-minute coaching call. That works really well. They go to a landing page. They enter in their email address, and then they're sent a link to book a time for a 30-minute free consultation.

Things like offering a 30-minute call or a quick video tutorial, or a cheat sheet — anything that is high value that your potential customer is really excited to grab hold of, and they don't have any problem handing over their email address. That is the currency for anyone with an online business.

JA: If somebody does decide they want to go from side hustle to full time, what are the steps involved?

LC: I worked backwards, so I picked a day, and I went, "OK, what do I need to reach that?" It's working out how much you need to have in savings just in case something doesn't go according to plan. You just can't know what's going to happen.

Then it's working out how much money you actually need to quit. For me, it wasn't about replacing my entire income; it was making sure that I had at least replaced my half of the bills so that my husband didn't have to cover everything.

From there it's really figuring out your strategy going forward. You're growing your business, so how are you going to ensure that you've got that steady income coming in? It's figuring out how your business is actually going to look and then creating that plan.

“I Will Make You a Millionaire”

I have an idea for a TV show. There’s a decent chance I might do it. I’ve spoken to some production companies. There’s an agent. There’s paperwork.

But most things I plan for don’t happen. You try many things, many experiments — and some things happen and some things don’t.

This is how I’ve always worked. Like I mentioned in a previous chapter, when I built my first company, I stayed at my job for 18 months while running the business on the side. Then I finally quit my corporate job when my business became big enough to run full time.

When I started Stockpickr.com, I was also running a hedge fund. The hedge fund was going well. But when I decided to pursue Stockpickr.com, my clients were very upset — even though they had made money with me. They didn’t want the best for me. They wanted the best for themselves, even at my expense.

That’s OK. I was the same way. I wanted the best for myself, also. You *should* want the best for yourself.

Not at the expense of anyone else. Don’t hurt anyone. But you don’t have to take care of them if it hurts you to do so. Keep options open.

Here's my idea for a TV show. My newsletter, as well as my own experiences over the past 30 years, has helped me come up with this particular idea.

I'm calling it "I Will Make You a Millionaire."

I take random people, and using strategies that I've learned over the years, get people out of the cubicle and on the path to making their first million.

The people at the first company I spoke to said, "Do you have the confidence you can do this?"

Of course I do! I get the testimonials from people who read my research — people who have tried the strategies recommended and how their lives have changed since.

I'm not saying the cubicle is bad. I'm not saying you should quit your job right now. I'm saying you should start to experiment with ideas and look at all of your options.

We live in an opportunity economy. Not a corporatist economy. Corporations are one of many opportunities you can try and experiment with right now.

You don't have to spend a year doing an experiment to see if a strategy works for you. You can spend two weeks. One week. One month. Whatever you want.

You have more opportunity than ever to experiment with things that excite you and make you fall in love with your work again. Or more in love than you already were.

But you can't think about business and money all the time. You have to think about how to get as much energy as possible. When you have ideas that excite you, you also need the energy and stamina to pursue them — and be creative enough to handle the inevitable pitfalls.

That's why so much of what I read and podcast about is not just about strategies for leaving the cubicle (although that's the bulk of it), but also unique strategies for health that we've been learning.

I mean, when I was 29, I felt like I could eat anything, work hard, never sleep, and enjoy life forever.

When I was 39 I realized, "Oh my god, the things I eat actually stay in my stomach and affect the way I live."

And now that I'm 50, I'm thinking: "Wait a second.... did I just become OLD?!"

Finally, if you make money, you also have to learn how to *keep it and grow it*.

The key to keeping money is to ask the obvious questions about what's occurring in the economy so you can figure out what is really happening.

So when something happens that is unexpected to me, I don't say, "This is crazy!" Doing that is the FASTEST way to lose all of your money.

I ask, "Why is this happening and how can I benefit?"

Simple Skills + Great Ideas + Paying Customers = \$\$\$

A lot of people seem to think they need to master a unique skill or come up with a big idea before they can start working for themselves.

It's why so many people never find the will to leave their cubicles. They think they don't have the time to master a skill — and without it, they can't move forward with their side gig.

But that assumption is wrong.

You don't need to be the best in the world to start making money right now.

And you'd be surprised just how fast you can get your skills up to par.

In fact, chances are you already have marketable skills without even realizing it.

The thing is, the skill is only a piece of the money-making equation. You also need to be able to come up with ideas for how to use the skill, and then find clients who will pay you.

Where to start?

Here are seven concrete strategies. These are just examples, though. There are hundreds more options out there that you can follow — using skills you already have or could easily learn.

WRITING: BLOGGING AND COPYWRITING

Writing is one of my favorite ways to start making money online right away (it worked for me!).

And, unlike coding or app design, you probably already have some experience in it. You probably wrote papers for school, or you've organized your thoughts for a Facebook post. So at the very least you have a starting point.

But that isn't to say that writing is easy.

If you need to improve your writing skills, here are three suggestions:

Copy and study the greats: Find a piece of writing that you love, study it and literally rewrite it word for word. This will help you better understand the structure and voice of great writing, and you can apply those lessons to your own work.

Take a course: AWAI is a great place to start. But if you're not quite ready to pull the trigger on a paid course, check out John Forde. He is one of their most successful copywriters and offers some free educational materials for anyone interested in trying out copywriting.

Practice: Sit down and force yourself to write one article on Medium.com every day. After a few weeks of this, you'll find it starts to come easier. Then you'll be much more comfortable taking ideas and putting them on the page.

Once you're confident in your writing ability, there are many platforms you can access to get a variety of writing gigs, like Upwork and Problogger. But on the whole, competition is high and pay is low. If you apply for listed gigs, you can probably expect to earn around \$25 for an article.

Rather than applying for listed jobs, I suggest trying to post some of your own.

Here's a tactic I've personally seen work. Go to Fiverr.com and post a gig that says something like: "For \$5 I will arrange guest blog opportunities for your startup."

In the job description say something like: "Guest posting is powerful because it lets you tap into other people's audiences. But it takes a ton of legwork to find the right places to do it. I will compile a list of 20 websites related to your business. I'll write 10 headlines for articles you could write for them. And I'll email them and pitch the articles as guest posts."

It's a lot of work for \$5, but the Fiverr gig itself isn't where you're going to make the money. This is just to get your foot in the door.

After you've sent pitch emails on behalf of a client — and start getting responses from blogs — you can go back to your client and say, "I emailed 20 blogs and seven of them said yes. If you want to write the articles yourself, great. But if you're too busy, I can write them for you."

At this point your client is going to ask you how much you charge. The Editorial Freelancers Association has a list of typical rates. Obviously these numbers aren't set in stone, but it gives you a place to start and a reference point that you can show your client.

This strategy is great because you're not just selling your skill as a writer, you're also packaging it with a bigger idea.

WRITING: CONTENT UPGRADE STRATEGY

You've probably noticed how most blogs have an ad in the sidebar that says something like, "Enter your email address here and I'll send you my free guide: '10 ways to accomplish XYZ.'"

This is how blogs grow their email lists, which is the lifeblood of any online business.

In the last year or two, some blogs have begun to use what I call the "content upgrade strategy."

Meaning, rather than having the same free giveaway offered on every page of the website, each individual article has a unique giveaway that corresponds perfectly to that content.

For example, if there is an article called “How to get people to open your cold emails,” the content tie-in could be something like, “Click here and I’ll send you 5 actual emails that made me \$\$\$ and I’ll explain how they did it.”

Or maybe the article is “5 ways to make an extra \$1k this month,” and the content upgrade could be “Click here to read 3 real-life step-by-step case studies.”

Good idea, right?

Many of the bigger and more profitable blogs are using this strategy. Their email list signups are going through the roof. Not everyone is taking advantage of it though, because it essentially doubles the amount of content you have to create. That’s a ton of extra work.

That’s where you come in.

Check out some of the blogs you already follow to see if they’re using this strategy. If not, email them and explain the benefits.

Now find their most-read articles and send them ideas for content upgrades. Then offer to create the content for a low first-time client fee. If your content increases their conversions, they can hire you for recurring content upgrades at a higher rate.

Boom! You’re in.

GRAPHIC DESIGN: INSTAGRAM MARKETING

These days, it’s pretty much a requirement for businesses to be on Facebook, and the same is becoming true for Instagram.

Total advertising dollars spent on Instagram are on track to surpass \$6 billion in 2018. That’s up from \$1.86 billion in 2016. And the social media platform’s number of active monthly users has reached one billion.

Despite this growth, many companies don’t understand how

Instagram works for business — and they aren’t leveraging it fully.

That’s where we come in.

Find local businesses that aren’t on Instagram or don’t post regularly. Then research the most popular hashtags in their industry and their city, and start sending them ideas.

Say something like, “Here are the top hashtags that your potential clients are using. And here are some ideas of images for each one. If you want, take these ideas and run with them. But if you don’t have time, I’d be happy to do it for you for a monthly fee.”

And creating the images for this sort of thing isn’t as hard as you might think. You don’t even need to be a talented graphic designer.

Keynote is one tool that lets you create professional-level images easily.

If you need some inspiration to jumpstart your graphic design skills, check out Canva’s excellent Design School. Canva is an easy-to-use online software package that helps you create beautiful images, and they have excellent tutorials.

Megan Etcheberry is a freelance social media manager who has done just that. She manages Instagram feeds for local businesses and charges \$1,000 per client per month. She works from home, has several clients at any given time, and was able to run her business while she was still in college.

She explains how she works for clients:

1. Pick a handful of relevant hashtags in the industry your client is in. Search for those hashtags and “like” every person who has used them. It makes people feel good to see strangers like their posts, and a certain number will check out the business’ page.
2. Find groups or influencers that are in the same space and build relationships with them by commenting on their posts.

3. Repost content from influencers or complementary businesses. By sharing posts with your audience, you're helping other pages get in front of more people and grow their following.

By using these three techniques, Megan has been able to more than double the followings of many of her clients.

VIDEO EDITING: VIDEOBLOCKS.COM ARBITRAGE

You've probably heard of Dollar Shave Club, the monthly subscription razor service that took the world by storm. It sold to Unilever for \$1 billion in 2016.

Here's the inside story.

Dollar Shave Club is a simple arbitrage business that was expertly executed and scaled to amazing heights.

The founders discovered a company called Dorco, which made high-quality blades that sold for a fraction of those sold by the big players like Gillette and Schick. The founders realized they could buy blades from Dorco, create a subscription service, do some viral marketing, and sell the blades at a premium — while still undercutting the supermarket brands.

And it worked!

The same arbitrage model can be used with video editing. (Sounds like a stretch, I know. Stick with me here.)

Videoblocks.com is a stock footage site that offers unlimited access to stock videos for an annual fee. These are videos that can be used in ads, on websites, or for other purposes.

If you go to the site and search for “intro” or “green screen” you will find a ton of videos that businesses can use for ads.

A green screen video is basically a blank canvas over which you can add a business's name or logo, so it can be customized for the client.

It only costs \$149 per year for unlimited use from Videob-

locks, and you could easily charge several hundred dollars for each client project.

Now that's what I call an arbitrage!

WEB DEVELOPMENT: HEADWAYTHEMES.COM

It always surprises me how many businesses in 2018 have absolutely terrible websites. I've been watching the web design world since the mid '90s (20 years ago!), and some of what I see out there today isn't much better than those sites from the early days of the internet.

The advantage for you is that, while tons of businesses still haven't prioritized their websites, building one has become astronomically easier than it once was. (No code!)

If you're interested in building sites, one of the best skills to give yourself is to learn how to use WordPress, which is an open-source web hosting, design, and publishing platform.

More than 25% of all sites on the internet are built on WordPress. And thanks to the gigantic library of plugins that are available for it, you can now create powerful, professional, and easy-to-use sites pretty easily.

There are tens of thousands of themes to choose from. Each includes design elements and functionality that can be added to any site. Do yourself a favor and check out HeadwayThemes.com to start. Headway offers a custom editor that, unlike most themes, gives you total control of how your site looks and feels. You can literally recreate any website you can find, or create whatever idea is in your head, with Headway's software.

Now start looking up all of the businesses in your town and find ones that have bad websites. Take all of their content and make a new ultra-modern, one-page scrolling website using their text and images. If your URL is YourName.com and the business is called LocalBusiness, make the URL YourName.com/LocalBusiness.

This is your demo and your sales pitch.

Take it one step further and install SumoMe. It's a free plugin that boosts email signups, and they've got a blog that teaches you how to use it. Now your clients' sites not only look better, but they're optimized to convert more sales.

Reach out to potential clients with this information.

Depending on how complicated the site is, you can typically charge between \$500-\$3,000 for this kind of simple redesign.

APP DEVELOPMENT: BUSINESS APPS

The real (or at least realistic) money in app development is not creating the next Angry Birds.

It's creating apps for businesses.

Find an author on Amazon who has written a handful of ebooks in a subject you're interested in. You can often find an email address by going to their personal website.

Email them and say, "Did you know that the app economy will hit \$100 billion in the next three years?"

Now pitch them ways to repurpose the content that is already in their books.

For example, you could create a resource where users can quickly and easily look up content. Or you could create a quiz where people answer questions based on the author's content. Get creative (but don't get too high-tech).

Once you've landed a client and have settled on an idea with them, you can design the app page by page. Keynotopia has templates that help you mock up apps that look professional.

Now that you know how to create a mockup, get on Upwork and post a job for an app developer.

Let them know you already have screen images, and tell them what you need each button to do. Since you've already compiled and designed the content, you can find developers who can turn it into an app affordably.

So many people get stuck at coming up with their "big idea." What people don't realize is it's possible to make money without one. Find a skill that people are already offering, teach yourself how to do it, and start pitching it to businesses.

Rules for Being an Entrepreneur

I've started several businesses.

Maybe 17 have failed out of 20. I fail quickly. I fail frequently.

Entrepreneurship is a sentence of failures punctuated by brief successes.

I'm invested in about 28 private companies. I've advised probably another 50 private companies. I'm on the board of several private companies and one public company. The companies range from \$0 in revenues to \$1 billion in revenues.

Along the way I've compiled a list of rules that have helped me deal with every aspect of being an entrepreneur (and some in life).

I'm going to share them with you as they come to mind. These are in no particular order.

1. IT'S NOT FUN

I'm putting this as No. 1 because it's the most important rule to be aware of. There's a strong chance you'll hate yourself throughout the process of being an entrepreneur.

I don't want to be dark, but the grim truth is that depression and suicide are prevalent among startup founders. One study showed that 50% of entrepreneurs have a mental health

condition, and 30% specifically struggle with depression.

Be aware of your mental health and take care of yourself. Keep sharp objects and pills away during your worst moments (and you will have them).

OK now that we've covered that, let's lighten things up...

2. THE ECONOMY DOESN'T MATTER

Depressions, recessions, whatever the economy is doing... none of it matters. There's \$15 trillion in the economy.

You're allowed a piece of it.

FedEx, Microsoft, Hewlett-Packard, and many huge companies were started in recessions or depressions.

Leave economics to the academics while they leave good business to you.

3. IT'S BETTER TO BE PROFITABLE THAN TO RAISE MONEY

This seems obvious but it isn't to a lot of founders. Try not to raise money. That money is expensive.

Raising money is like taking out a very expensive loan. What if you fail? And even if you don't, you are making yourself a prostitute to venture capitalists (VCs).

It might not seem possible to start a business without funding, but it is.

Just ask Christian Chabot, co-founder of Tableau Software. He and his co-founders were able to break through the \$100 million revenue mark, all without spending any venture capital money.

Sometimes you need funding in order to grow or scale. But whenever possible, it's better to provide your customers immediate ROI and be profitable immediately than to raise money.

Build a business that makes money on day one.

4. EVEN IF YOU ARE OFFERING A SERVICE, CALL IT A PRODUCT

Oracle did it. They claimed they had a database. But if you "bought" their database they would send in a team of consultants to help you "install" the database to fit your needs.

In other words, for the first several years of their existence, they claimed to have a "product" — but they were really just a consulting company.

Why? Because products are valued higher than services. That's just a fact of life.

And almost EVERY major software product company was a service company in the beginning. Don't forget that.

5. IT'S OK TO FAIL

Start over. Hopefully before you run out of money. Hopefully before you take in investor money.

Come up with new ideas. Start over.

Dozens of famous entrepreneurs failed before they succeeded.

Thomas Edison failed over 10,000 times to invent the light bulb before he succeeded. Arianna Huffington, Jeff Bezos, Tim Ferriss... all failures.

Until they weren't.

Returning to the Workforce: How the New Economy Is Changing the Job Market and Opening Doors

A lot of the entrepreneurial advice floating around the internet today revolves around “high tech” skills. There are a million articles about how to make money building websites, creating apps, doing graphic design, etc.

These are great ideas if tech is your thing. But it might not be. Then what?

Like if you’re a retiree looking to create extra income. Or an empty-nester starting a new career after your kids have moved out. Obviously a 65-year-old can learn how to code, but you might not want to.

And you don’t have to. There are plenty of opportunities to choose yourself using skills you already have or could easily acquire.

Here are some ideas for non-techie Choose Yourselfers:

CONTENT WRITING

You’ve probably heard the term “content marketing” before. The idea is simple: A business produces content like blog posts, YouTube videos, podcasts, and Instagram images in order to build an audience. People see the content, either on the company website or through social media, and eventually the business will be able

to convert a certain percentage of these followers into paying customers.

If you scroll through your Facebook feed or look through your email inbox, you'll probably find a dozen businesses right now whose content you consume on a daily basis. All of these businesses need people who can create content for them, whether it's writing articles or video scripts. With a little work, you can turn your writing abilities into a powerful and profitable skill.

Sean Ogle did just that. After graduating from college, he landed his dream job as a financial analyst. Unfortunately, he quickly realized that his career wasn't what he imagined it would be. After using up his entire year's worth of vacation time on the trip of a lifetime to Brazil for Carnival, Sean returned home and reality sank in: He was stuck in his cubicle for the next year.

Then he discovered freelance writing. Soon Sean was able to quit his job and move to Thailand. Now he runs Location-Rebel.com, where he teaches his students a three-step process to create their own freedom with content writing.

The first step Sean teaches is to start a personal blog. Having your own blog is like having a sandbox. It's a place to play and experiment. You can test headlines, explore different topics, and begin finding your voice. Most importantly, you can start building an audience.

Soon you'll be confident in your skills, and you'll have a small portfolio of your work. Now it's time to find writing gigs and get paid.

Sean suggests two strategies:

1. Find the blogs and businesses in the industries that you like to write about. Send an email and see if they're looking for content. You might need to do some free work at first to get your foot in the door, but he's seen this lead to paying gigs time after time.

2. Use sites like ProBlogger.com or Upwork.com. There are tons of jobs to be found on these platforms. Sean says he's seen countless people grow to \$2,000-\$3,000 per month in less than six months.

At that point, there are two options:

Option 1: Use your cash flow to bankroll your own business, like creating a digital product or a membership site.

Option 2: Simply double down on your writing and turn your freelancing into a content agency. Like the student from his Location Rebel course who grew his writing business so big that he was able to hire several employees (including his mom!). What started out as a few freelancing gigs grew to a business that could support his entire family.

COPYWRITING

Another way to create a writing career is through copywriting. I briefly mentioned this in a previous chapter, and you'll see it in future chapters, as well.

Whereas content writing is designed to educate, entertain, and inform, copywriting usually has a much more specific objective — to drive sales.

You know those Facebook ads with the eye-catching headlines that drive you to click on them? Or the scripts of those Kickstarter videos that inspire you to donate? Or those emails that make you want to buy that product you only sort of need?

That's copywriting.

Being a great copywriter requires more than just being a master of words. You need to be a master of human psychology.

You need to understand how to speak to people's emotions. If you've ever seen an offer that said, "Buy now before time runs out on this amazing deal!" — and your hand instinctively shot to your wallet — then you've seen great copywriting.

We're exposed to tens of thousands of ads each day, so it's important for businesses to find people whose words rise above the noise, grab people's attention, and inspire action. That's why great copywriters can make such good money.

Just ask Heather Robson. In 1999, life was good for Heather and her husband. They both had great jobs. They had a two-year-old daughter and a second on the way. But they felt like something was missing and they were ready to shake things up. So they quit their jobs, moved to Montana, and became freelancers.

Heather bought a course called *The Accelerated Program for Six-Figure Copywriting* by American Writers & Artists Inc. — the copywriting training business started by Mark Ford. For the first few years, Heather dabbled with copywriting on the side, but in 2003 she threw herself into it completely.

With both their freelance businesses growing, Heather and her husband were able to stay home full time to homeschool their kids. Now Heather brings in a six-figure income and has tons of time to spend with her family.

COACHING

For people in their 50s and 60s, sometimes it's easy to look at millennials and think, "I'll never be tech savvy. How can I compete?"

But you have something that millennials don't: decades' worth of experience. This is an invaluable asset, and perfect for a career in coaching. Business coaching. Life coaching. Really, any niche you can think of.

Before we go on, here are a few quick statistics about the millennial generation — roughly defined as anyone born between

1981 and 1996. There are more than 90 million millennials, making it the largest generation in American history. Almost a third are living at home with their parents, and unemployment/underemployment is more than double that of older generations. Most will change careers (not jobs — *careers*) more than five times in their lives.

The point of these numbers is to show that there is an enormous group of young people in this country who are embarking on lives that are going to be characterized by uncertainty. That's not necessarily a bad thing. For those who can adapt, there will be tremendous opportunity. But either way, this is a generation that will need guidance and mentorship. And you can monetize your experiences. It's a win-win.

Nathan Teegarden spent almost 16 years in the corporate world where he worked as a manager, consultant, or executive for several Fortune 500 companies. But despite all of his success, something was eating away at him.

He realized that he was working *jobs*, but what he really wanted was a *calling*.

He decided to apply his expertise to helping individuals manage and grow their own careers. Now almost 18 years later, Nathan has his own business, YourTrueCalling.com. He has worked with over 750 entrepreneurs, executives, students, athletes — even royalty — to discover their true callings and take their lives to the next level.

A certification can step up your game and signal your mastery. Nathan says you don't necessarily need to get a certification to become a coach, although they do exist. Instead, look for certifications in your areas of expertise.

Nathan also points out that it's critical you have the "hard-wiring" to be a coach, or at least that you play to your innate strengths. Nathan is a huge proponent of the Myers-Briggs personality test and uses it with all of his students. He recommends you start there.

Finally, he says the World Business and Executive Coaching Summit is a great learning tool and can be a helpful resource to start your own coaching career.

CONSULTING

Consulting is another way to monetize your expertise, but you're working with companies instead of individuals.

If you had a previous career, there are probably at least a couple things that you were particularly good at. Think about responsibilities you had in your business — things that you trained new employees on, accomplishments that you were recognized for, skills you were asked to teach other people, etc. These are all potential areas you could specialize in as a consultant.

Cinde Dolphin was a marketing manager at Coors Brewing Company for 24 years. She took a buyout, but at only 55, she wasn't ready to retire. She started sending out her resume but wasn't getting any responses. So rather than wait around for someone to choose her, she decided to choose herself. She put her experience to work by launching a social media marketing firm for California wineries.

Many people in Cinde's shoes might have said, "I'm 55. Social media is a young person's game."

Instead, Cinde said, "Marketing is marketing, no matter what the medium or what your age."

Think about what lessons you've learned by working in the trenches, and how you can use them to help businesses solve problems.

VIDEOGRAPHY

Like tens of millions of people, Mike Richeson was in love with photography. It started off as a hobby, but over time, it developed

(get it? ha ha!) and he wondered if it would be possible to make a living at it. He started shooting weddings, but the competition was fierce and staying on top of it was grueling.

That's when it occurred to him that his expensive photographer's camera could also take video. And while there were countless photographers, he didn't know of any videographers in his town. So he started approaching local businesses. Soon he was shooting videos for dentists, wineries, clothing companies, doctor offices, entrepreneurs, etc. to use on their websites and for online marketing.

But he didn't stop there. Mike practices Brazilian Jiu Jitsu and realized that there weren't any high-quality review videos on YouTube for gis (martial arts uniforms). He created TheGi-Insider.com and started filming his own. Quickly his videos got the attention of one of the largest national gi retailers. They hired him on a freelance basis to film branded review videos. Within three months, he made \$20,000 on the side, from his living room, by doing something he was already doing for free.

Next, Mike started sending ideas to businesses based on the lessons he had learned from his gi business. Once again, he got someone's attention, this time one of the largest online universities in the country. He spent the next year managing a multi-million-dollar advertising campaign for them. After wrapping up that project, he left to continue freelancing, and now he lives in a remodeled Mercedes van and travels the country filming videos for universities and other corporate clients.

Mike says that anyone with a DSLR camera and a hyperactive idea muscle can do the same things he's done. He recommends Googling "mobile video statistics" and finding some numbers. For example, the average American watches over an hour of video every day on his or her smartphone. And 64% of viewers are more likely to buy a product after seeing a sales

video. Send the stats to local businesses, along with ideas for how they can use video to get more customers.

Carry your camera everywhere you go for a month and film everything, just to force yourself to get better at filmmaking. Soon you'll have the skills and the clients to launch your own freelancing business.

Another place to start is VideoBlocks.com, a stock footage site that I introduced in a previous chapter. Imagine the nightly news is filming a segment and they say, "We need to find some footage of a mother and child hugging to go on top of our narration." VideoBlocks is the place to go. They have tens of thousands of videos available for a flat monthly subscription fee. And they recently launched a marketplace where anyone can upload their own videos and receive a 100% commission. So if you think you have some clips that news programs or other clients might like, try uploading them. VideoBlocks says they have filmmakers who are earning a full-time living purely from selling stock footage on their platform.

BUY A BUSINESS

Casey Gheen had worked in investment banking and for several startups, but after giving birth to her first child, she wanted to find a way to make money from home. She decided that an online business was the ideal answer. She didn't want to develop or code a website, but with her diverse skill set in business management, Casey figured she could buy an existing business and find ways to grow and improve it.

She started looking on Flippa.com, which is basically eBay for online businesses. After a few months, she found the perfect fit for her: EcocentricMom.com. It's a monthly subscription box that provides environmentally friendly products for expecting mothers. Right away, she believed in the mission and she saw things she could improve upon. Her first tasks

were improving the product line, renovating the website, and launching new marketing campaigns.

In short order, she had more than doubled the number of recurring subscribers.

If you're interested in buying a business from Flippa, Casey has a few tips. "Sometimes it can be time-consuming to weed through all of the listings on Flippa, and Editors' Choice is a great way to save time by getting instant insight into the top businesses for sale."

Using a website broker can be another great shortcut. For example, *Choose Yourself* fan Ryan Kaufman runs TrustedSiteSeller.com, where he helps coordinate buyers and sellers. Ryan recommends starting with an inventory of your core competencies. Be clear about what your strengths are and what you would bring to a potential business. Once you have a good idea, a broker can help you find something that aligns with your strengths.

People ask all the time, "Does 'Choose Yourself' apply to me?" Or they make a list of excuses for why they can't do it: "I'm too X" or "I'm not Y enough. I can't choose myself."

But every day, people just like you are finding new ways to prove that it's possible.

The Biggest Myth in Entrepreneurship is That People Assume It's Risky

I hate risk.

Someone wrote me the other day, “I chose myself and now my life is ruined. I can't sleep, I'm broke, my girlfriend left me, and I don't know what I am going to do. I might kill myself.”

OK.

That's a shame, whatever it is that happened to this person. I don't know any other details.

Choosing yourself does not mean “quit your job, throw everything out, and take every risk possible.”

Choosing yourself is doing what YOU need to do for well-being, health, and freedom. Not what any societal definition of that is, not what any parental definition of that is, or a boss' definition, or peers' definition.

This will sound obvious but: Money is important.

Many people say, “Oh, money isn't everything.” This is true also. There are all the obvious things: health, good relationships, creativity and competency, etc.

But money is an energy that runs through all of it. And if you are willing to waste money on things for which you didn't calculate the risk, or mitigate the risk, then chances are you will have other problems in your life besides just money.

With entrepreneurship, there are many ways to reduce risk.

A) DIVERSIFY

As I mentioned before, I started my first business a full 18 months before I jumped ship from my job (at HBO) to become CEO full time. We had 11 employees by the time I took the chance to resign and leave. I was scared to death.

With another company, Stockpickr.com, which I later sold to TheStreet.com, I still ran my hedge fund until I was sure stock-pickr was going to be a success.

B) MULTIPLE STREAMS OF INCOME

Right now, I try to open new streams of income for myself every year. One a year. It doesn't mean I don't focus on the things I love. But I actively try to find new things to do that will generate money as passively as possible.

Those sources of income don't have to be “start a new business.” Because then I might get stuck again with one source of income.

It might be finding a new way to invest carefully with high dividends. It might be a way of investing with people that I have confidence will generate high returns for me later. It might mean sitting on a board seat or consulting and taking fees. This is not scalable but if the work is fun and lucrative, I do it.

It might mean writing another book, which combines all of my interests. It could mean anything.

C) ANGEL INVESTING

For the past 20 years, I've been doing angel investing. Which means, I, like a biblical “angel,” come down from heaven and save lives.

In other words, I sometimes invest in the first rounds of start-up businesses.

I used to do a very bad job at this. I went broke at least twice by doing this. I would put in an unreasonable amount of money into a horrible company — at the worst possible times — and lose everything I had worked hard for.

You don't want to work hard, make a lot of money, and then lose it while helping someone else chase his or her awful dreams.

Finally, I got into a rhythm that has been life-changing for me. Angel investing has been my primary source of income and wealth accumulation for about six years now. It's not always easy. Some companies fail. But I have one formula for taking out risk that has worked for me.

I can say this with confidence: When I follow this formula, the investment almost always works. When I don't follow this formula (why would I do that? Stay tuned), it almost always fails.

MY FORMULA FOR ANGEL INVESTING

- 1. Invest with a CEO that has done it before.**
- 2. Invest with co-investors who are smarter than you.**

In an ideal world, they have a team of analysts (also smarter than you) who are doing all the due diligence for you.

If Warren Buffett is in a stock, and he is in a stock at a higher price than me, then it's not like I'm going to call him up and say, “Warren, are you an idiot or something?” I'm just going to assume he knows what he's doing better than I know what I am doing.

- 3. Invest in a strong demographic trend.**

It's not always easy to identify a trend. But this is a big focus of my podcast, my writing, ALL of my investing, and with all of the people I talk to. So I am not great at it, but I am good enough that I can mitigate risk with it.

4. Invest in things that don't need so much money.

For instance, FedEx needed a lot of money to get started. And Fred Smith was not an accomplished entrepreneur already (failing my first criteria). So I would definitely not have invested in FedEx.

That's OK. No matter what formula you have, somebody is going to call you out and say, "OK, yeah, but then you would have missed Facebook, you idiot!" You just have to nod and think about your accumulating bank account and say, "You are so right. I would have missed that."

5. Do not invest more than 1-2% of your net worth.

When I was younger, it would not be uncommon for me to invest 20% or more of my net worth in something. And then watch it go to zero.

This is what I now call "being a fucking idiot."

There's two types of investments.

- A) Moonshots, where you hope for an enormous return.
- B) Steady earners, where you hope for safe, but not HUGE returns. Safe is good also and, believe it or not, is just as hard as moonshots.

In both A and B, reducing risk is equally important. Madoff was a steady earner. Until he wasn't. And all the people who ignored the risks lost their money.

But in both cases, you can't do more than 1-2% of your net worth.

By the way, I want to qualify something and throw this out there.

It's important to reduce risk in relationships as well. You want to be with someone who enhances you — a $1+1 = 5$ situation. Not just romantic relationships, but partnerships, friendships, etc.

So let's take a look at that for a second. Let's say you are thinking about a romantic relationship (but, for exercise, try it for any type of relationship).

I'll use some of the same criteria I used for angel investing.

- A) Unless you are in your early 20s, it's helpful to know that the person you are thinking of getting involved with has had long-term relationships before. That they are able to make a commitment and stick with it for a certain degree of time.

Relationships, just like businesses, have a timespan on them. They begin and they end. But how they are in the middle and how they ended (and even how they began) says a lot about the person you are thinking of being involved with.

- B) Do they have good long-term friends around them? Again there's that saying, "You are the average of the five people around you."

But don't forget: The five people around you are also the average of the five people around THEM. So who YOU are is dependent to some degree on the people around the person you want to be with — even if you don't know them.

So this is part of "romantic due diligence" or "friend due diligence" or "boss due diligence" or "business partner due diligence."

- C) Long-term demographic trends. I'm going to translate this to mean "similar long-term goals." This you can't learn instantly. People wear their masks on their first dates. Or first meetings.

But it's hard for humans to wear masks for a long

time unless they are sociopaths. By the third encounter you are going to see “leakage.” Look for it then and see if their leaks match up with yours. (Hmmm, sounds disgusting but I mean it with good intent.)

D) Don't invest more than 1-2% of your net worth. It sounds like a joke at first when I put it that way. But I'll change it slightly.

Don't invest too much of your self-worth in any one person.

It's hard enough for people to have self-esteem for themselves, let alone carry the burden of your self-esteem.

Always, no matter what the status of the relationship, take care of your own self-esteem. Never outsource it to a romantic partner, a friend, a boss, a partner, a family member, etc.

This is a critical part, for me at least, of choosing yourself. I've made the mistake of giving up my self-esteem (many times, unfortunately). So I can only say that this is a mistake I make and I try hard not to do it again. Maybe everyone else is great at this. In which case, ignore me.

• ≡ • CHAPTER 8 • ≡ •

Your Career Is Over: How to Navigate the Changing Landscape of Work and Entrepreneurship

Every four years I am going to change careers.

Not just jobs, but careers. Or add a new career. Or do something totally unexpected that I would not have guessed four years earlier.

It's not because of my personality. Or because this is what I want to do. Or because my skills change.

It's because the needs of the world are changing very fast. The average person will switch careers 14 times in their work life.

I have always been the sort of person to be scared of change. And yet, I was afraid to stand still also. I think if I had, I would have been too overwhelmed by all the changes that were happening in every industry I dipped my toes into.

As a result, I developed careers and expertise in many different industries.

I went from being a programmer at HBO, to creating a web design company, to creating a mobile software company, to being a day trader, then hedge fund manager, then fund of hedge funds manager, then writer, then angel investor... and on and on.

Some things worked. Some things didn't.

We all carry the scars of the things that didn't work. I wake

up in the morning and during those few seconds where I forget where I am and what I am supposed to do, the first things I often remember are the things that went wrong and the fear that accompanied those life scars.

Like when I day traded my way into going broke years ago. Or when I started a software business, raised a ton of money for it, and then watched it all go away while I was fired as CEO, then fired as a board member, then had my shares taken away from me. (The business raised about \$50 million in total and was sold for \$10 million 10 years after I started it. A failure for me.)

What did I do when I failed? I cried, I begged, I pleaded, I got angry at my spouse, I got sad that my kids would have no future simply because I felt I would have no future.

I was anxious all the time. I thought to myself: That was my last chance.

And it was. That was my last chance to start a mobile software company with those investors and that software and at that time. But I learned from it. I learned that maybe it's better to not raise so much money. Or raise from people I didn't trust. Or not to go into an industry too early.

I feel I have disappointed a lot of people over the past 15 years. And many in the past 15 months. And maybe a few in the past 15 days.

There are several ways I have to deal with it when this stress or anxiety happens. It's both an emotional stress or fear and an economic one.

I have to figure out what am I doing RIGHT NOW to deal with the stress, to deal with the feeling in my body that all is either helpless or hopeless.

Then it's about dealing with tomorrow: What will I do to make sure I can feed my family, to survive, to thrive?

People say, "Live in the NOW." This is OK advice. But not necessarily great.

It's true that if I spend too much time worrying about the future, I will never solve the problems of the present. That the future is simply a ghost and nobody should be afraid of ghosts.

But you can't hit a target if you don't aim at least a little — if you are blind to the outcomes and consequences of the actions you take today.

I think this is what people mean when they say "NOW." If I'm trying to hit a target, I still have to make sure that — right this second — my stance is good, I'm holding the bow correctly, I'm pulling the string back with the right degree of tension, my eyes are focused on the target in the distance, and I know when to release the string which will then thrust the arrow towards its eventual goal.

Lots of changes are happening in the economy right now.

Just a few years ago, economists were worried about runaway inflation. The stock market was crashing. I went on CNBC once to argue with Nouriel Roubini (an economist often called "Dr. Doom") when he was saying that inflation would destroy the stock market, and I was saying I just don't see it.

It looked to me like deflation was coming.

And deflation did arrive in most areas of our lives. Including salaries. People are getting demoted in almost every industry. The \$3.5 trillion in bailout money never quite trickled down to the middle class or below like it had every other time in history.

When I get stressed or anxious now, I know from experience to look back at the past 24 hours and check some boxes — boxes which I have written about many times in the past:

Physical: Have I slept well, eaten well, moved well?

Emotional: Have I spent time with people who I respect and admire — and maybe even love?

Mental: Have I been creative? Because the only way I can be creative tomorrow, when I maybe need it most,

is if I am creative today. I have to exercise that creativity muscle every day or I will lose it.

Spiritual: Have I been grateful for the small corner of the universe that I have carved out for myself, no matter how big or small it is?

If I can't check those boxes, then I will never be able to take the next steps of reinventing myself with a new side hustle.

How come?

Because if I am sick in bed, how will I be able to reinvent? If I am not creative, how will I know what to do next with my life? How will I come up with the ideas the nobody else is coming up with? And if I am not around good people, who will help me on executing my evil plans?

Only when the boxes are checked can I begin the process of reinvention.

And, it's important to note, reinvention does not occur tomorrow or in four years. It happens every day.

Reinvention is an everyday process of:

- Checking the boxes on the four areas I described above.
- Learning.
- Experimenting (What new thing can I try today to get out of my comfort zone? Because if I don't explore the limits of my comfort zone, how will I know where they are?).
- And finally, reaching out and DOING.

To put this to the test, I will tell you about a recent day in my life.

I was able to do something amazing for my youngest daughter. That made me feel good — and I spent several hours enjoying her company afterwards.

I slept eight hours. I read a book on stress and another fiction book.

I went to the gym. Not to do a full workout (which I almost never do) but just to check the box that I did a little bit to stay healthy.

I wrote a small post that I did not publish. I also started jotting down ideas that were directly related to other streams of income I am potentially pursuing.

Maybe where I was most lax was on the gratitude part.

Sometimes it feels difficult to do that. But I am grateful I was able to make my daughter happy with her day. And I am grateful I am writing this book and the messages I receive from many readers. These interactions are very special to me.

I am grateful to the many people who contributed to the research included in this book. On a daily basis I reach out to the smartest people I know in every industry and find the people I think can best contribute to the ongoing success of my readers.

Ultimately, I know that if I ever take my eye off the exploration of what is happening in this economy — and what possible streams of income are out there — then I will not survive the constant changes that are occurring.

What Feeds You?

Finding a Niche, Creating a Business and Living the Life You Want

Susie Wyshak is a food business strategist and the author of *Good Food, Great Business: How to Take Your Artisan Food Idea From Concept to Marketplace*.

Her food consulting business, FoodStarter, combines her background in marketing, writing, ideation, and strategy with her passion for coaching small businesses and improving the food industry. It also enables her to enjoy her personal freedom.

The following is a Q&A session with Susie Wyshak on how she pursued her niche.



James Altucher: Describe your journey to becoming a food business strategist.

Susie Wyshak: I've always been split between tech and promoting food. It was just always easier to make money consulting for tech companies. It was only when I started thinking, "I don't care about the money, I want to figure out what I want to do for the rest of my life," that I discovered Foodzie. I wrote an impassioned email about why they needed me and what I wanted to

do there. When I met with the team, they were like, “We didn't think that we needed a job like that, but you're right, we do.”

[Note from James: Foodzie, which was acquired in 2012 but no longer exists, was a startup online marketplace for artisan food producers. Susie began working there in 2008 as a “food forager,” finding people who wanted to sell their specialty foods online.]

It was very exciting to me because that was kind of the nexus of everything I love, as far as helping small businesses, helping food companies, doing marketing, and doing stuff online.

Through making connections with food companies all over the country and hearing them confide in me what their challenges were, I decided to write this book *Good Food, Great Business: How to Take Your Artisan Food Idea from Concept to Marketplace*. At the same time I was writing the book, I was building up my blog, FoodStarter.com.

Now I work one-on-one with people. In any industry, if you're a solopreneur and you're in a vacuum, it can be hard to piece together [information to start your business]. I built a very focused consultancy. What I love is to help people get clarity [on their product idea], help them know what's being done, what the opportunities are, and then connecting them with [other] consultants who do end-to-end consulting.

JA: How did you identify this niche? How did you determine this was a need that you could fill?

SW: I grew up experimenting with new foods. We traveled a lot and our parents were always making us taste exotic foods. I just always found myself going to the farmer's markets and talking to the people and hearing their challenges.

I identified the need really because people would ask me — and over and over again.

I thought, “If I create this book that answers a lot of the questions, then people who were thinking of getting started would have the answers. And it would be an efficient way for me and other experts to share knowledge all in one place.”

JA: What made you decide to pursue the consulting path rather than launching your own specialty food brand?

SW: I'm a self-professed ADD but always in the spirit of trying to create more good things for the world. It's kind of like “Those who can't do, teach.” But it's “Those who don't want to, help other people who do want to.”

JA: How did you launch your brand?

SW: I started blogging in 2008 about the food business. I have a good mailing list, but I definitely have great SEO because I had been blogging on this focused topic for so long. I've gone to lots of food blogger events over the years, but I'm not a recipe blogger and I really had to focus on this niche.

I think it was in the dawn of Kickstarter that I thought of FoodStarter.com. It was a great descriptive name for my blog and my brand.

I think definitely figuring out your focus and then coming up with a brand that encompasses it is the same approach with any other industry.

JA: How did you find clients?

SW: I wrote early on about California's homemade food law. It's a long article that comes up high in search results. I get lots of traffic from that. I also use social media, but I think because my book is on Amazon, which is always great for anyone to discover you, then people discover my blog. And then through Google because it's such a niche topic.

I try to write useful newsletters and just build up the inner circle — rather than thinking that social media is the most important way to reach people for this niche topic. I think it's different for consumer brands, but [with a niche topic] it's really just getting the information to people who need it for their food business, which is more of a one-on-one conversation.

Probably the last three years I've had the most clients because of the book coming out and people reading it and then wanting one-on-one advice. A book is a great way to build an audience, especially my book with a different twist that hadn't been done.

There was one great book, *From Kitchen to Market — Sell Your Specialty Food: Market, Distribute, and Profit from Your Kitchen Creation*, by Stephen F. Hall that existed for like 25 years and I didn't want to do the same thing. I wanted to do something complementary.

JA: What type of work goes into building a business like this?

SW: I installed WordPress on Bluehost, I bought a theme. I'm always thinking about “build versus buy.” Right now it's a one-woman show, but I have hired people and had interns in the past. I use a mix of Fiverr, Upwork, different out-source companies.

It's really a mixture of learning from other blogs, learning about the SEO, getting MailChimp set up and figuring out if I want to hire a virtual admin to help me and what I want to do myself.

I have an email subscription where you can get templates that go with the book, so I wanted to generate more email signups by having something like that, where you get a nice reward for signing up.

JA: What were some of the challenges of your career path?

SW: The biggest challenge in the food industry is figuring out how to make money from it, and that's both for people who are making food and who are consulting with food businesses.

Particularly what I'm focusing on is figuring out who the audience is and who will pay me. I've figured out that there are the people who already know enough about the food industry to do it themselves, or people who don't have or don't want to spend the money. Then there are people who know the value of hiring a coach or consultant — that arriving at the right answers and getting a fast brain dump will help them make good decisions.

JA: What are the aspects you most enjoy about being a food business consultant? How does it enable a lifestyle that you want to live?

SW: It makes me happy, it helps me fulfill my purpose in life. Helping people who are creating food has been my passion for a long time. I love writing, I love interviewing people about food, I love helping people break through with new ideas and strategies.

[Food business consulting] is about 30% of what I do. I have so many other interests outside of food, and I like the ability to switch gears and start new things for myself and help as many people as possible. The contracting and consulting lifestyle is perfect for that. I'm an Airbnb host. I have another website called Epicuring.com. I have so many interests, and food business consulting is just one part of it.

I've created other streams of income, where in my youth I might not have done that — I was kind of afraid of money. There was some point where I said, "I can make my money work for me, and then I'll have more freedom to do what I like." While I make money in the food consulting, I'm not making a living from it right now. There are people who do, and if I focused on it I could. But I chose this other way of life where I have flexibility to tackle other projects.

JA: What advice do you have for other entrepreneurs who want to get into a specific niche?

SW: I think just paying attention in everyday life. "Oh, this need isn't being served" or "This thing could be done better."

Volunteering is the best way to make connections and get experience you need. I actually volunteered to start the fair trade cocoa program in the United States just by chance, when someone who worked at the Fair Trade Organization asked about renting a room. I met so many people doing that and was able to reach out to lots of food companies in that process. Even though I hadn't worked in food when I approached Foodzie, I had tons of connections just from talking to people and offering to help people promote themselves, even when I wasn't getting paid for it.

Just talk with people, and figure out what fits in three areas: your skills, what feeds you, and what you want your legacy to be.

From Passion to Platform: A Guide to Living Your Daydreams

A friend of mine worked for a top investment bank, making six figures in New York City. She lived near her office. She lived and breathed work all day and most hours.

Most people think work is 9 to 5. This is not true. You wake up thinking about work at 6 a.m. — get ready, commute.

You get to work and maybe you leave at 5 p.m. but maybe, like my friend used to do, you order dinner and share it with your cubicle mates. People you never chose to be friends with but now you are all slugging it out together for the boss' obedience program five to six days a week.

One of you will get promoted, but you don't know who, you don't know when, and you don't know if it will come with any salary increase.

By the way, I'm not always down on work. You can enjoy a job and become quite successful. Just make sure you know if your needs and goals in life are being met.

If you are 30 years old, you only have 30-40 summers left that you will truly enjoy. Will they all be in the service of a boss (derived from the Dutch word "baas," meaning "master") where you get two weeks vacation and before the trip has started it's over?

But here's the thing I'm even more worried about: Many industries are disappearing. Very quickly. It took about two years for music record stores to go from being on every corner to nonexistent.

I saw an article the other day that car mechanics will disappear soon. The reality is even worse. With the advent of self-driving cars, the entire car industry will probably shrink by about 90%.

Almost every industry will at least go through upheaval. It's scary but also exciting.

The exciting part is that innovation is never going to stop. It doesn't matter who is president. It doesn't matter what your skill levels are. In five years, so many new industries and innovations will happen that there will always be opportunity for a blank-slate start — using new media, new technologies, new ways to educate yourself on new skills.

As for my friend who works for the tier-one bank? She started taking photos of food. She loved it. She got a nice camera and took pictures of all her meals. Then a large stock photography site saw her photos and offered to buy each one.

She quit her job. She makes less money but she moved out of NYC into a bigger place. She eats out a lot. She takes lots of photos of food. And now she's learning how to paint in her free time.

No matter what your passion is, there's a creative way to monetize it.

If you don't choose yourself and figure out how your life is supposed to play out, then someone else will — and the results won't be pleasant.

What follows are some interviews, stories, and details on how various people turned their passions into money. They didn't start huge billion-dollar businesses. But they live their dreams.

BLOGGING

Steve Kamb graduated from Vanderbilt University with a degree in economics. He launched his blog, Nerd Fitness, in Janu-

ary 2009. Since that time, he has developed his blog into a seven-figure business, has 10 employees, and 300,000 subscribers.

He runs his business full time.



James Altucher: What originally interested you in this intersection of subjects for your blog?

Steve Kamb: I'd always been active, but I wasn't really interested in fitness as a hobby until the end of high school. I'd been cut from my high school basketball team, so I decided to go to a gym and had absolutely no idea what I was doing. I spent half of high school and all of college going to the gym dutifully and following workout plans from muscle and fitness magazines. I saw literally zero success.

It wasn't until after college that I cracked the code and started eating the right way — and combined eating with a much simpler workout routine. I had more success in 30 days than I had in six years prior to that.

It was right around then that I think I stumbled across Tim Ferriss' *4-Hour Workweek* on a particularly miserable day at my job. I came to the realization that I wanted to help people avoid the six years of mistakes that I had just made. The beginner health and fitness industry was very crowded, so I wanted to be more specific in what that might be. This idea popped into my head. Being a nerd was part of me. I Googled "nerd" and "fitness" and nothing popped up. I figured, perfect.

JA: When you first started your blog, did you see it becoming a business one day?

SK: I hoped it would eventually become a business, but I had no

idea how that was going to happen. I started just by writing. I published articles and answered every email that came in and responded to every comment. I just tried to be as helpful and available to people as I could possibly be. There were no ads on the website. I didn't sell anything. It was about 18 months before I finally made my first dollar with the website.

JA: What was your readership growth like?

SK: It was not instant. I would work on Nerd Fitness every afternoon and weekends. I was publishing five articles a week. After nine months of publishing five articles a week, while working a full-time job, I think I had 90 subscribers. I was getting less than one subscriber per article written.

Finally, I turned a corner about nine months in. I stumbled across a blog post from a guy named Adam Baker. The blog post said, “How to not suck at blogging.”

I read it. I was like, “Oh, God! I suck at blogging.” After reading his article, I figured, “Well, nobody's reading now, you might as well make some changes.”

I switched from threading five short articles a week to two long-form articles a week, which is the format that Nerd Fitness still runs on today. I really injected my personality into my writing. I think within a week or two, it had gone from 90 subscribers to 200 or 300. From there, the growth started to pick up a significant amount of steam.

JA: How do you come up with fresh content for blog posts?

SK: Ideas come to me all day, every day. I find the more that I write, the more that I have things to write about. I consistently search for things that are either curious to people or me. I notice recurring questions that people ask or I'll read a book or I'll have a conversation with somebody that will

stir an idea. I'll see if I can find a fun way to present it in an angle that speaks the language of my people.

JA: Is there a specific style of post that gets the most attention?

SK: The ones where I really deeply dive into a seemingly complex topic. I do everything I can to take all of the information I find and distill it to the barest of bones. I like to say, “We make content that is so simple even a rocket scientist can understand it.” I think us nerds have a tendency to over-analyze and almost paralyze ourselves by wondering, “Should I do this or this or this or this?” I like to take their complex topics and demystify them. Add some humor and provide a simple pathway for people to follow so that it removes a lot of the challenges that people might have.

JA: How do you generate reader traffic?

SK: It's almost exclusively word of mouth or Google search. I do as many interviews as I can, and I did publish a book. Quite a few people have found the blog after that book. Occasionally, I'll write guest posts for other sites.

JA: What is the “it” factor of your blog that makes you stand out from competition?

SK: It's the idea of a Blue Ocean Strategy. If all the sharks are in the water fishing for the same type of fish, if you go where they aren't, you're going to be much more likely to stand out.

We speak a very specific language. We cater to a very specific type of person. If that doesn't happen to be you, you might read Nerd Fitness and say, “I don't get it.” But if you do consider yourself nerdy, you might read it and say, “This guy speaks my language.”

JA: How does your blog generate revenue?

SK: We have online courses and that's where the majority of our revenue comes in. Then, we also have in-person events. We had an event the past three years called “Camp Nerd Fitness.” This past September, we had 450 people come in from 15, 20 different countries for a long weekend of adventure, costume parties, and instruction on how to get in shape, how to cook right, yoga classes, sword fighting, parkour, archery, and all sorts of fun stuff.

The first thing I put out was an ebook. That was 18 months after I started. I quit the day job, announced on the blog that I was building my first ebook and I was going to clear it for sale a few weeks later. I encouraged and hoped people would check it out. Fortunately, I sold a few hundred of them in that first week. That bought me a few months of income. Then, I sold enough of them every day to make ends meet. Then, enough a day to invest further into the company. It was just the ebook up until, right around three years ago, I put up the first version of the Nerd Fitness Academy. Since then, we've switched almost exclusively over to the online courses.

JA: Has your blog exposure led to any other opportunities?

SK: We've been featured in *The New Street Journal*. We got featured in *The Washington Post*. We've been on MSN. I got a chance to go on Fox Business and Fox Health and to talk about Nerd Fitness. We don't have a PR department. We simply keep our heads down and shift focus on taking care of our community. As a result of that, eight years later, people are starting to notice.

JA: What's your advice to someone who wants to start a blog that generates revenue?

SK: Pick a topic that people are actively looking for help on — so you're solving one of their problems. Find a way to be unique in that space and speak to a very small subset of that audience. When people originally heard about Nerd Fitness, they're like, “Yeah, but how many nerds out there could possibly be interested in fitness?” It turns out there's a lot of them.

The other piece of advice I would give would be to start now. You're going to be terrible at it for a while. You might as well get terrible out of the way as quickly as you can by starting as soon you can.

PODCASTING

Jon Nastor was running a software business when he decided to start his own podcast. In September 2014, he began his show, “Hack the Entrepreneur.” He now has 125,000 listeners tuning in each month. He is the author of *Hack the Entrepreneur: How to Stop Procrastinating, Build a Business, and Do Work That Matters* and *The Beginner's Guide to Launching a Remarkable Podcast*.

He runs his business full-time.



James Altucher: How did you decide to get into podcasting?

Jon Nastor: I was running a software business and it was going well, but I was hidden behind the scenes. I wanted to start speaking, start writing more — but I didn't have an audience because nobody knew who I was. I met some smart podcasters in a small Masterminds meeting in the Philippines in March [2014]. They told me I should start a podcast. In July, I was out at the cottage and I was sitting out on the dock, re-reading Gary Vaynerchuk's *Crush It!* when I decided, “Screw it. I'm just starting.”

I went home that Monday. I emailed some people and I started interviews that Thursday. I spent all of July and August honing what I wanted to do with the show, interviewed over 30 people, and then I put together 22 completed episodes. I had some really smart friends, so I was giving out episodes to people to listen to and come back with feedback.

I had set the September 5 date at the very beginning. I had two months to get it all together and that was the timeframe. Then from there on, it's history, if you will.

JA: What made you decide on your specific podcast topic?

JN: I have two obsessions. One of them is entrepreneurship. The other one is punk rock. I didn't want to do it on punk rock. I was just fascinated with talking to people building cool businesses. I just love the idea of creating something out of nothing. The entrepreneurship space for me is just full of people doing that. I get to have conversations with them and release it to the world. It's amazing.

JA: What makes a good podcast episode or podcast interview?

JN: I know for my first episode, I really wanted to be part of the show. I was talking way too much and it didn't make sense in the conversation. I didn't let the conversation breathe. We love when things sound like a loose, natural conversation. Behind the scenes of that, it takes a lot of research and a lot of preparing.

You have to always stay focused on that guest, stay focused on your audience and really not worry about pulling yourself into the conversation as the interviewer. I think that's just your job is to stay the hell out of it. But also push your guests a bit, in ways to make them a little uncomfortable so that they open up and share.

JA: What was your listenership like at first, and when did it begin to grow?

JN: I had no audience, no email list or anything when I started. I launched three episodes on day one and then I went two episodes per week from there. At the end of the first 30 days, I had 2,700 downloads. I was like, "Oh my God, this is amazing." Then the next 30 days, I did 27,000 downloads. At the end of those 60 days, I just had this feeling of some sort of spark. There was something there. I said to myself that I either need to go all-in on this and see where I could push this — or I had to be OK with the fact that going forward, I'd always be looking back and wondering. I decided to go all-in. I went to three episodes per week.

Then I broke 100,000 downloads a month, I think it was another year later. Now it's just been a steady incline.

JA: How did you increase traffic?

JN: Word of mouth. In November of that year, I interviewed somebody. Then we hit it off. He was writing for *Inc.* and *Entrepreneur*. He said he wanted to do an article on my show. He got back to me the following week and said, "How about you just write for *Entrepreneur*?"

Then a month after that, I interviewed the guy who runs Copyblogger Media. I ended up writing for Copyblogger and then I also ended up partnering with them and joining their podcast network. Those things really exponentially helped the show. The leverage has given me the right connections to the right people to be able to get exposure through other people's platforms.

JA: How long does it take to produce one episode?

JN: From finding the guest, getting them scheduled, doing the interview, getting it edited and then publishing and promoting, it's three hours per episode.

JA: Is it easy to find guests?

JN: At the beginning, the first 30 people I wanted to interview, I knew who I wanted to talk to. In the email that I sent them, I also sent an individual YouTube video, saying hi to them, telling them quickly who I was, and the show that I was planning to launch in two months. It worked really well. It got me lots of those guests.

Then over the next six months, it was a lot of work to get guests because I was a new show. You've got to email 10 people and one of them will say yes.

Now, my inbox gets inundated with requests to be on my show because it's grown to that point. I do still do outreach. I read someone's book and instantly I'll just be like, "Oh, I want to interview the lady behind this." Usually within 24 hours, it's scheduled.

JA: How do you come up with fresh content?

JN: The show sticks to a really rigid format. My guest brings the content for the most part. That's the beauty of an interview-based show — you don't have to come up with content, because it's provided by the guest every time.

JA: What can you share about revenue?

JN: It's hard to answer because there's direct revenue and then there's indirect revenue. Direct revenue is sponsorships. I get just over \$6,000 a month right now for sponsorships of my show. Then there's indirect, which are things like affiliate sales, product services, membership sites — all those kinds of things that you can do around your show, depending on your audience and your goals.

I have a partnership with Copyblogger Media right now where I created a course with them to teach people how to podcast. I get 50% of that revenue. That's all 100% because of my podcast but it's indirect.

JA: What equipment do you use for your podcast?

JN: I have a MacBook Pro laptop and I have a microphone into a mixer that plugs in via USB. That travels with me wherever I go. I typically record from my condo but we travel regularly. I just set up wherever I happen to be. I record it straight to my laptop and then Dropbox everything to the editor.

JA: Do you work the typical 40-hour workweek?

JN: It fluctuates a lot. Right now I'd say about 30. For a few months in the summer, it was down to 15 or 20 but coming into January, February, March, it'll be at least 40. It's my business based around me and I only like to work when I like to work. That's one of the reasons why I really dig entrepreneurship. I'm definitely not a workaholic. I don't plan on becoming one either.

JA: How has your podcast exposure led to other opportunities?

JN: It's completely life-changing. Literally everything I do in my life right now has been 100% the direct or indirect effect of starting my show. I've been to conferences now in three different continents. The businesses and partnerships with other people are all 100% because of my show, and I get to write for Copyblogger and *Entrepreneur* and *Founder Magazine*. Plus I get to talk to three smart business people every single week just on my show. Those relationships go crazy places sometimes that you just weren't expecting.

JA: What advice would you give to someone who wants to start a successful podcast?

JN: There are four things that I would say. The first one is going to be to be authentic. Sometimes we think that it's easy to find our own voice but it's actually not. Let it just hang out. The more that I let out about myself, the more an audience was endeared to me. Audio on demand, you're in people's ears. It's an intimate setting. We can just tell when we're listening if somebody is lying about stuff or making things up.

The next one is to be useful at all times to your audience. Never take them for granted and never think that they just want to listen to you talk about what you had for lunch or what you were watching on TV. It's audio on demand, meaning that I can turn you on as fast as I can turn you off — and move to another show that will be useful for me.

Then really focus on sustainability. If you're thinking of starting a podcast, think about how many shows you can do per week consistently. Then don't launch your podcast until you have at least one month's worth in the can recorded. Things are going to happen. You're going to catch a cold or technology is going to screw up for you. On the times that you tell your listeners you're going to be there, you have to be there at all times.

Don't just do it so you can make quick money, because there's no quick money in podcasting. Just make sure that you're being authentic, being useful, focus on sustainability — and then profitability will follow.



Noah Lugeons was a professional juggler before he transitioned to podcasting. He launched his first show in January 2013. He hosts “The Scathing Atheist,” which receives 70,000 downloads per episode, “God Awful Movies,” which receives about 60,000

downloads per episode, and “The Skepticrat,” which receives approximately 50,000 downloads per episode. He is the author of *Diatribes, Volume 1: 50 Essays From a Godless Misanthrope*.

He runs his business full time, alongside his wife and two other business partners.



James Altucher: How did you get into podcasting?

Noah Lugeons: It was actually my wife that got me started in podcasting. At the time, it was not a sustainable make-a-living kind of podcast. I reached out to my listeners. I said, “Hey! I'd love to do this fulltime.” At the time, we did a 30-minute bi-weekly show. I said, “If you guys can support me and make it into an income I can survive on, I'll do an hour-long weekly podcast.” They really stepped up and made it possible for us.

JA: What interested you in religion and skepticism as a podcast topic?

NL: It was my partner and I who started the podcast together. We actually talked for quite a while about what subject matter we wanted to take on. We knew it had to be something that we were passionate about, something that we cared about, so that we would have the excitement and enthusiasm to do it, over and over again, every week.

We also knew that it had to be something there wasn't a huge amount of really solid competition for. I'm also a big fantasy football player. We considered doing a fantasy football podcast, but there are some really good ones already out there. We were looking for a genre of podcasts that was basically under-served and we felt like that was probably our best bet.

JA: What is the process for launching a podcast?

NL: Five years ago, it would have been a completely different answer, but there are so many companies now that make it so plug-and-play for you. Really, if you're willing to spend, \$5, \$10 a month with a company like Libsyn, they will make it so easy. It's as easy as posting a blog once you've got the audio.

I had to learn all of that. I was not an audiophile. I did not really know how to record sound. I had to learn all of that on the fly. My wife, along with the microphone, bought me a book called *Podcasting Solutions*. It takes you through the step-by-step process of how to capture audio, how to edit it, etc. That was super helpful.

JA: When you first started your podcast, what were your expectations for it?

NL: That's kind of a complicated question because there's what you tell yourself and what's true. I would say I went in there with the same grandiose, "I'm going to be a rock star" attitude that you did when you started a band at the age of 12. I think my realistic expectation was simply that I have an opportunity to meet a lot of people who I admire and speak with a lot of authors that I admired. Do something. Put a message into the world that I felt good about.

JA: What was your listenership growth like?

NL: When we first started, we were doing a show every two weeks. It was a 30-minute show. That only lasted about six weeks before we moved to a weekly spot. Our first episode, in its first week, logged a whopping 77 downloads — which rose by order of magnitude over the next two episodes.

There have been a few moments where we had a little spike here and there, but it's been pretty much steady growth

since the beginning. There's not really a moment when the lights were turned on for us.

JA: How would you describe the "it" factor of your show?

NL: One advantage that we have is we are a group of entertainers. There are currently four people who do the show. We're presenting in a fairly mundane category and we have the ability to do so in a pretty funny way. I think that gives us a serious advantage over the other podcasts in our category.

JA: How much time does it take to produce each episode?

NL: We find that to do the quality of show we want to do, it takes about an hour per minute of show. That's split up between four people. Unlike most podcasts, our show is almost fully scripted. We have to write a 60-minute script every week. That's probably, I'd say, slightly over 50%. That also includes the research, reading up on the news article that we're going to be discussing.

Then a few hours in recording and a bunch of hours in post-production, editing, etc. We do a lot of music and stuff like that on the show. Oftentimes, it's a pretty complex editing.

JA: How do you come up with fresh content for each episode?

NL: That's probably the biggest problem for podcasters as they're starting out. I feel that the key to that is to make your show as formulaic as possible. If I had to sit down every week in front of a blank page and say, "OK, what am I going to do 60 minutes about?" that would be virtually impossible. But the way our show is segmented, there's a five-minute monologue that opens it up. There's a 20-minute headline segment. There's a three-minute segment. There's a book review that we do for about 10 or 15 minutes. There's occasionally an interview and things like that. Because it's so

formulaic, I don't have to sit here and think, "What am I going to talk about?" I have to sit here and think, "OK, I need four headlines. I need one thing I can do a monologue about."

JA: What kind of promotion do you do for your show?

NL: The only real promotion that we do is cross-promoting with other podcasts. We'll have them on. They'll have us on. Virtually, all our growth is organic.

JA: What can you share about revenue? When did you start making a full-time living?

NL: I would say by the common standard of what it means to make a living, about 18 months after we'd been doing it. At the time, our only income source for the podcast was through direct PayPal donations. We would just get \$20, \$50, \$100 from a number of listeners. Shortly after that, we signed up with Patreon. That's a service that allows people to donate \$1 per episode, \$2 per episode, \$5 per episode. In the interim, I also published a book that was a compilation of the monologues that opened our first 50 shows. That generated a good chunk of income right away. It did give us a bit of a nest egg for the while we were waiting on the Patreon dollars to climb to a point where it could actually pay the bills.

Patreon is still our primary revenue source. I'd say it accounts for about 70% of our revenue. We have just recently taken on ads. We're also expanding out and doing live shows. We did two live shows this year and generated \$7,000 and \$9,000 in revenue respectively. We're setting up seven of them for this year.

We've also expanded out this year in an effort to diversify our income source. We've made an effort to identify podcasts that

we feel are under-performing in their category. We're trying to partner with a few of them to bring up their revenue for a percentage. That's something that we're still testing out with a couple of podcasts — but hope to really ramp up in 2017 as well.

JA: What other opportunities have emerged from your podcast exposure?

NL: I'd say the one that I'm proudest of actually, is some of the charity work that we've managed to do. Also, I've had a chance to meet a lot of people that I admire a lot. I got a free trip to England out of it. A skeptical conference called QED in Manchester, England brought my co-hosts and me out to do a live show earlier in the year. That was my first trip across the pond. That was pretty exciting.

JA: What advice would you give someone who wanted to start a successful podcast?

NL: These are the two things that I always tell everybody who comes to me with that question. The first is, to turn the old cliché on its head and say, "Prepare for the best and expect the worst." I find that a big mistake people make when they start a podcast is, they have such high expectations that no realistic listenership is going to keep them happy. But if you keep your expectations low, then you're going to be able to suffer your way through that really slow growth over the first year or so.

At the same time, you have to prepare for the best, because it's very easy in podcasting to suddenly be successful and not be prepared for it. I know a lot of podcast-hosting companies charge you by the download, which is great if you're only getting a couple of thousand downloads at a time. If suddenly your podcast takes off, that hosting is going to be

too expensive for you. You have to be prepared to grow.

The other [thing I tell everybody] is just a simple matter of how you phrase your questions to yourself. My advice is to always phrase it in the form of, “Are my listeners worth blank?” If you say to yourself, “Well, my podcast is going to be pretty good or I can put in another 45 minutes and it’ll be great.” If you can manage to ask yourself, “Are my listeners worth 45 minutes?” The answer will always be, “Yes.”

INSTAGRAM

Jessica Hirsch works full-time as a high school math teacher and runs her popular Instagram account “Cheat Day Eats,” on which she has over 280,000 followers. She also recently started another account, “At Your Room Service,” cataloguing the best room service around the world.

She currently runs her accounts part-time as a side gig, but hopes to transition to full time soon.



James Altucher: When did you first develop a passion for cuisine and travel?

Jessica Hirsch: I’ve always been obsessed with food and travel. I’ve always been interested in new restaurants, always wanted to visit a new destination, always looked at all those pictures online and thought, “One day I would be able to travel.”

My parents’ idea of travel was to take us in a car to South Carolina. I guess that’s still travel — but it was not very far and we never went on an airplane together as a family. Once I got older, I was always excited to book a trip, even if it wasn’t that far. Every summer now, I go away. Because I’m a teacher, I’ll try to do

a two-week trip. My favorite was probably Greece — Mykonos. I loved it.

A few years ago I was only traveling really in the summer and then maybe taking one more trip during the year. Now, with my Instagram account, it’s happening a lot more often. I just went to Bermuda and I’m supposed to go to the Cayman Islands, and a California trip. It’s exciting.

JA: What originally made you decide to create an Instagram around food and travel?

JH: Mostly when I started, it was only food. I would always post photos on my personal account. I saw this whole world that was getting built up around food. People were specifically posting just food and had food accounts. I was like, “I want to do this.” That got me jumping into it about two years ago. It wasn’t until a few months ago where I decided to use the idea of food and travel as one — and I created another account called “At Your Room Service,” which is room service from all over the world.

JA: When did you notice your Instagram following start to take off? What was the catalyst?

JH: It took me about a year to grow to 10,000. But once I hit 10,000 it was like, boom! It’s been exponential for the most part. Last year at this point, I was at 200,000 less than I am now.

I think there was a point where I realized the thing that works for my account — that in general works for a lot of accounts — is having better photos, making sure the lighting is perfect, engaging with your followers, using hashtags, tagging the right people who would be interested in seeing that photo. It’s everything combined.

For me, the 10,000 followers was a change in my account and it just kind of grew from there. It happened on its own.

JA: What do you think is the “it” factor of your Instagram account that draws in new followers?

JH: I think it's a few things. I think it's this combination between having relatability — everyone, first of all, loves food — but then there's the part of it where people are like, “Oh you know, I look forward to my cheat days.” I have a lot of fitness people who follow me which I know is big on Instagram. Then I have the audience of just people who love food.

I also think it has to do with my photos. I use a professional camera. I put a lot of effort into my photos. I make sure everything I post, I love, and I think people can feel that.

I also think that engagement is important. I try to answer people's questions and reply to them and let them know that I care what they say. People direct-message me all the time and ask me questions, like if I'm coming to New York City. There's just this community that has developed, even within my followers.

JA: How much time do you dedicate to your Instagram?

JH: Basically when I'm not sleeping, teaching, and working out, I'm working to create my brand. Either I'm going out and going to restaurants — or working on my account and my pictures and working on just my presence as a brand. I try to be in present in the social media world. I meet up with PR and social media agencies and let them know that this is who I am, this is how I can create content for you, and let them know how we can work together.

JA: How do you make revenue from Instagram?

JH: With food it's a lot harder. I've been starting to get some monetizing with brands, like a credit card company who has dining points. They would reach out to me — and then in my posts, I would highlight the fact that people use the card and get a certain amount of points if they dine out at restaurants. I'm working with restaurants who are looking to do special menu items and want me to come in to do a photo shoot. Different candy companies have reached out to me. I've worked with Delta, who did something with the New York City Wine and Food Festival. They reach out to me and that's how I'm making revenue.

[Brands started reaching out] when I got about 100,000 followers, but definitely much more so in the 200,000s.

I also reach out all the time. There are brands I want to work with, but I find it pretty difficult to get to the right person. But I'm always the type of person to try to make connections and opportunities for myself.

JA: How much revenue can you generate with Instagram?

JH: That's tough because, like I said, every niche and Instagram probably would add to this differently. Somebody who has 200,000 followers who focuses on travel or street photography or lifestyle probably makes double what I make. But I'm making I would say this year probably \$50,000 to \$60,000 altogether. I'm also getting free trips. I haven't paid for a meal in a long time — I'm just joking, but for the most part we're getting so many invites from restaurants that I try to go to the ones that are inviting me in.

JA: Has your Instagram exposure led to other opportunities?

JH: My Instagram exposure has opened up a world of opportunities for me. Recently I was offered a position at a big social

media company. They wanted to acquire my account and hire me full-time to continue to build “Cheat Day Eats” for them. I decided in the long run that I did not want to give up ownership of my account because I want to be part of its growth for years to come.

My account has led to travel opportunities. I have been asked to go on press trips to cover culinary aspects of a destination. I find every day is a new opportunity that comes along and it's all very exciting.

JA: What's your biggest piece of advice to someone who wants to create a successful Instagram account?

JH: First, there is power in numbers. You need to grow your account so that brands want to work with you and your audience. That means post photos that you connect with and eventually your audience will find you.

Secondly, networking is so important. When an opportunity with a brand comes up, [you want them to] think of you.

ETSY

Claudia Lucero worked in the non-profit sector before she started her Etsy shop, Urban Cheesecraft, in 2009. Her business sells DIY cheese-making kits. Her shop has over 26,000 sales, a five-star rating based on over 4,500 reviews, and has been “favorited” by over 20,000 customers.

She has also partnered with Williams-Sonoma and creates brand-exclusive kits for them. She is the author of *One-Hour Cheese*.

She runs her business full-time.



James Altucher: When did you first develop an interest in cheese-crafting? What led you to creating an Etsy shop around it?

Claudia Lucero: It was really accidental. It wasn't anything that I grew up with or anything. When we moved to Portland, my partner and I joined a farm with a CSA box where you get vegetables every week. Soon enough I had to start learning how to pickle and make sauerkraut. Once I started looking at these books and websites, I saw recipes for yogurt and butter. It just seemed like a natural progression to try some simple cheeses.

I started taking them to work and to share with neighbors and friends. One coworker said, “You know, my mom is visiting. Would you mind just sharing some of your ingredients and the recipe to make ricotta with her?” I got really into it and made a cute little kit of it. Etsy was really gaining ground at that time. I just started thinking, “What if I put everything together in a cute little box and everything is pre-measured and everything?” That's how I started.

JA: What was the demand like when you started?

CL: Well there was nothing like it on Etsy. Certainly a couple of companies existed — but not on Etsy. It was easy to be found. I honestly don't know what people were searching for and how they would find me. It just was very natural. It's great to have 10% growth per year but I was having 40% and 50% every year.

JA: What's your shop's “it” factor that set it apart from competition?

CL: I think it's a couple of things. It was the right thing at the right time. I think it was part of this huge interest in home-made food. And the fact that nothing like it existed on Etsy. It's just easier to be found I think in that way.

JA: What goes into prepping your product and running your Etsy shop?

CL: Well until 2012, I did build them here in my dining room. Even then I had to have a really good system because the kits contain several parts inside. Definitely our earlier customers had to be understanding because there were some bumps along the way. Lots of lessons learned. Everything is hand-poured, hand-folded, hand-labeled.

JA: How much time do you dedicate to your Etsy shop?

CL: That's really changed. In the beginning, it was evenings and weekends. I would say within six months of opening the shop and I had some wholesale accounts, not only did I have to make the kits but I also had to ship — and I had to deliver locally. It took a lot of time. That's when I decided to hire a distributor. That eased some of that pressure. That was huge. Then because I have a little bit more free time, I'm doing more recipe testing and creation of new products. Then that's taking a bunch of time. I was feeling that pressure of, “I need to quit my job or at least go part-time because I'm always working.” I finally had to quit in late 2011. It just got way too crazy.

I was making due with help from friends. We would have assembly parties three days a week here for five hours a day.

Again I felt like, “This is way too much. I'm just too busy.”

[Note from James: Around this time, Williams-Sonoma reached out to Claudia for a partnership to sell some of her cheese kits. At that point, she was able to outsource to a co-packing facility.]

JA: How did you determine prices for your products?

CL: I worked backwards and I regret it. I wish that I'd consulted with people because I always planned to just sell on Etsy direct to the customer. I came up with this price that I thought, “OK, this is worth it for me. This is a good price for a gift. People get a lot of value out of it.” Then when I got these wholesale orders, it was like, “Uh-oh.” I didn't think about it. Even worse when I got a distributor, they take 20% minimum.

It's interesting that I've been able to run this business successfully and go on this long with the small margin that I get on the kits, but I still feel like I don't want to raise the prices. I did have to raise them once but I don't want to raise them much more.

JA: What can you share about revenue?

CL: On Etsy for all of 2016, I made \$104,000. That comes from 3,151 orders. For the last seven days on Etsy, I had 650 orders.

JA: What other opportunities arose as a result of your Etsy shop?

CL: I was extremely lucky. Williams-Sonoma came to me and the book deal came to me. Again I think it's that head start of doing something right at the beginning of when people are getting interested in a movement. Being innovative and putting yourself out there with something creative and new. Williams-Sonoma started something called an agrarian line. They were online and on Etsy, looking for things like kombucha kits, butter-making kits.

They came across me. By that point, I had a couple competitors on Etsy. Because I had that three-year advantage, my reviews and my amount of sales are just so far above and beyond what other people had been able to accumulate just in the last year or two — so they chose mine. I was afraid. At first I said no. I was like, “I don't think that I can do it.

I don't think I'm the right person for it. I just want to keep this business in my home. I'm really comfy with it." I still had that full-time job. They are really good at negotiating and came back and said, "You can make just as many as you want. Just send us 100 whenever you can." It was like, "Oh, so understanding. OK."

Then later on, we developed some kits that were exclusively Williams-Sonoma. We got to create some unique things that were just for them.

Right around the same time, an editor calls me and says, "Hey, I work for Workman Publishing and I'm home during maternity leave but I really wanted to call you to see if you wanted to write a book on cheese-making." I absolutely did not want to say no to that.

Yeah, it came to me. I got lucky.

JA: What's your advice to someone who wants to start a profitable Etsy shop?

CL: Absolutely do your research and don't do something that's already completely overdone on Etsy. I don't even know how anybody with jewelry makes any money on there because to be found is incredibly difficult. You have to be doing something really, really unique. Absolutely personalize it. Don't copy other people.

Then, be really smart about your pricing. You can't just look at materials. Look at your time. Decide how much you're paying yourself per hour and then very honestly price things.



Serena Fortenberry has a PhD in American Literature and works full-time as a member of the English department faculty at the University of Alabama. She created her Etsy shop, Vintage Squalor, in 2010 around her love of all things vintage. Her shop has over 3,000 sales, a five-star rating based on over 1,000 reviews, and has been "favorited" by over 1,300 customers.

She runs her Etsy business as a part-time side hustle.



James Altucher: How did you first become interested in vintage pieces? Is it a lifelong hobby or newly discovered?

Serena Fortenberry: My mother has long been an antiques dealer, and I grew up in a Civil War-era house that was furnished with antiques. So I come by it quite naturally. I now live in a 1929 Tudor-style house. I gravitate to things old. I suppose it might be a combination of nostalgia for the past and for relatives who are no longer alive — along with having something of an old soul and the tastes that go with that.

JA: Why and how did you set up your Etsy shop?

SF: I used to have booths in two antique shops here in Tuscaloosa, but when I began having children, it became difficult to find time to stock and arrange my booths as often as they needed it. Etsy was a fitting way to keep having fun with my hobby. I first set up my shop in 2010, but it was a couple years before I really got into the rhythm of listing items for sale. Etsy has made a lot of improvements in services for sellers over time, which makes it easier to manage a shop. When I first started, I had to take photos on a digital camera, transfer them to my computer, and do all of my listing from an actual computer. Now there is an app. It cuts out steps and is so much easier.

JA: What was initial demand like? How was your shop's growth?

SF: My shop started slowly, mostly because the item-listing process required so many steps that I found it too time-consuming. It was a couple of years before I managed to find a rhythm and become efficient at it. Now, since I can list items from my smartphone or an iPad, the listing process is very easy. I have a fair amount of return customers — mostly for my fabrics. The rate of customers increased according to the number of listings I had. Having several hundred items available in my shop made a huge impact on the traffic I got and the orders I received.

JA: What goes into running an Etsy shop?

SF: I love to shop estate sales most. I also go to garage sales when I have a chance, and there are a few antique stores that I go to regularly. Posting is not as fun as finding items — more time consuming, because it involves pictures, measurements, and descriptions. This is the most tedious part of running the shop. My husband sells books on Amazon, so together we have shipping down to a science. We have a digital scale at home, and we print all of our labels through these selling platforms. So all we have to do at the post office is drop off items.

JA: How much time do you dedicate to your shop?

SF: I'm a little sporadic, since I have a job and family obligations. Sometimes I will work an entire weekend on getting things listed, and sometimes, it will be a few weeks before I list anything. I generally do all of my shipping on Tuesday, Thursday, and Saturday mornings, since I don't have to go to the office on those days. [Shipping takes] anywhere from 15 minutes to an hour, depending on how many orders I am shipping and how difficult they are to package.

JA: How do you decide how much to value an item in your Etsy shop?

SF: On most items I have a good sense of comparables, so I try to list at competitive prices, but I don't do too much research. Every now and then, I will conduct research by looking at eBay sold listings to see what things have sold for — and I also search Etsy active listings to get a sense of pricing.

JA: What can you share about revenue?

SF: This is supplemental income. My husband and I are on a mission to pay off our mortgage as quickly as possible while building a comfortable retirement portfolio. Etsy is not quite as profitable for me as it was a few years ago, but I can generally expect to make between \$600 and \$800 a month.

JA: Do you do any marketing of your business?

SF: The only marketing I do is on my Facebook page for the Etsy shop, and occasionally on my personal Facebook page. I sometimes share items on my Pinterest boards, and I also share via Twitter and occasionally on Instagram. These definitely increase traffic. Etsy also has a feature called "Shop Updates." When I share items on Etsy through this feature, there is always an increase of traffic as well.

JA: What's your biggest piece of advice to someone who wants to start a successful Etsy shop?

SF: It won't be successful if you start with just a trickle. I think having 100 listings is a minimum, at least for those who are selling vintage on Etsy. The browsing component of shopping is so, so important to having a successful shop.

YOUTUBE

Luanga Nuwame, also known as the Homemade Game Guru, has been a YouTuber since 2008. He specializes in building large-scale cardboard crafts, from homemade board games to a cardboard elliptical to a cardboard swimming pool. With approximately 13,000 subscribers, his is considered a midsized channel, and the income he generates both directly and indirectly has allowed him to transition to part-time employment. He also owns his own comic book business, Zelpha Comics.

He runs his channel part time as a side hustle.



James Altucher: What first interested you in the cardboard crafting?

Luanga Nuwame: It actually started back when I was 16. We just had so much cardboard lying around and I started creating stuff out of it. I would do little designs just for myself, here or there, until I was discovered when YouTube came along.

JA: What made you ultimately decide to make a YouTube channel around cardboard crafting?

LN: In 2008, a co-worker came up to me. He told me about some viral video — back when a viral video was still a pretty new thing — that he saw on YouTube. I'd never even heard of the site before. When I explored it and saw that people were uploading different videos on all types of different things, I saw it as an opportunity just to test the water and see what people thought of it.

I had no idea you could make money off YouTube at the time. I just saw it as a way to share my passion for creativ-

ity with other people who might be passionate about it or might find it entertaining.

JA: When and how did your channel begin to grow?

LN: In 2008, when I started out, YouTube was still fairly new. I really had no idea what I was doing. At times, I did like three or four videos in a week. Other times, I would do maybe one video a month. It was very slow in the beginning, getting people to know who you are.

My first few crafts were very simple ideas. It wasn't until 2009 where I came out with this concept of a cardboard water balloon bazooka. Just a random weird idea. That became my first viral video. All of a sudden, it just started skyrocketing in views and getting a lot of attention. I think I had about 500 subscribers when that came out, going over 2,000.

It's from there that I thought, "OK, there is potential in this."

It was in 2009, with my bazooka video, that I actually found out that there's money to be made in YouTube. When that video came out in 2009, YouTube contacted me, asking if I would like to become a partner.

JA: How much time do you dedicate to your YouTube channel?

LN: It's changed over the years. I've always been inconsistent because unlike vloggers who could pump out a video every single day or review channels, I make specialized crafts. My cardboard swimming pool took me a month to make. I tried to position myself where my subscribers understand that I'm not going to have a video for you every single week. I try to dedicate as much time as I can to it, but it is what it is. When I do come out with a video, I want to make sure it's something that people really pay attention to and find pretty cool.

JA: How do YouTube stars generate revenue?

LN: There's a whole metric they have with the cost per click. When I did that cardboard bazooka, the most I made in one month was \$1,000, which is decent for putting up a video that you put up for the fun of it. For me, times have changed where it's not about the Google money anymore. The true opportunities come from outside of YouTube. YouTube is a promotional vehicle. As an example, I had people starting to contact me through YouTube to make them games. That is now commission work for my business.

I was able to get a commercial deal from one of my YouTube videos because an agency saw one of my videos and said, "We want to use this for a commercial." Then, there's the whole push for sponsorship now. Now, finally, businesses have clued in that YouTube is an amazing resource and a very inexpensive resource to promote products, brands and services, to millions of viewers. They're teaming up with different channels to get their concepts out there.

JA: Do you have any sponsors?

LN: One. I've been bombarded with free product offers. People say, "I'll send you this free product. Just do a YouTube video on it." I started doing that, but then I realized that for my viewership, they weren't really liking it that much. The views were very low and the feedback was very low. I've turned down quite a few products as well. I have one company that made spices for cooking. I make cardboard crafts. There's no synergy. You have to be smart. My younger self would have jumped on it and done a video on spices, but that would have turned off my viewership, because that's not what they subscribe to me for.

JA: What other kind of marketing do you do?

LN: I use press releases. When I think I have a video that is weird or crazy enough to get media attention, I put it out there. Most of the time, nothing happens, and you get used to that. Sometimes, you get that hit. When I did my cardboard treadmill, [Canadian news network] Global News took the story. The Huffington Post takes the story, and CNN once took the story.

I also blog. I had Make Magazine, which owns a blog called Makezine, contact me and ask me to blog for them. I don't get paid for it, but it's really helped me expand my readership. Then there's Google Adwords, where you can pay to use Google services to advertise your videos. I have used those now and then, just to get the ball rolling.

JA: What advice would you give to someone who wants to start a successful YouTube channel?

LN: I pretty much break it down to four important things.

1. Be realistic with what YouTube can do for you. Don't go into it thinking that, because if it's only about the money and you don't make that money right away, you're going to lose interest instantly. You want to do it because you enjoy it and because you want to do what you're doing in these videos.
2. Realize that making quality videos is time-consuming and it takes time to do this. You don't want to just pump out garbage.
3. You want your content to be original. You don't want to be copying what other people are doing. People are tired of that. They want to be entertained and that's ultimately what this is.
4. If you do want to expand yourself and make some income, don't just concentrate on Google Ads. There are always opportunities outside YouTube. Keep an open mind.



Rob Chapman is a professional guitarist based out of the U.K. His band, Dorje, has been at No. 1 and No. 2 in the charts and has hit the billboard in the U.S. He owns a guitar company, Chapman Guitars, which has a network of retailers all over the globe. He sells downloadable guitar lesson videos via RobChapman.tv. And he maintains his YouTube channel, where he does product reviews, music videos, and video blogging, among other things.

His YouTube channel could be a full-time job, but it is just one piece of a bigger picture.



James Altucher: What content can someone expect to find on your YouTube channel?

Rob Chapman: I'll do anything that a guitarist would want to see. I do guitar lessons, reviews of products, myth busting, blogging reviews, and a lot of music videos going up now, which are doing really well.

I like not being governed by rules with the kind of content that I make. So, I literally wake up and I think, "What do I want to make today?" Sometimes I have a list of video titles that I've written down when I'm in bed. For me, a video title gives me the feeling of whether I would want to shoot the content — and also, whether it's something the people would want to watch. You walk a fine line between making content that's sort of self-gratifying, and then making content that you just know people will want to click on. There has to be a balance.

JA: When did you first discover YouTube as a platform for your passion?

RC: I was originally a local guitar teacher. I was looking for students, and although there wasn't a lot of competition, I really wanted to expand. So I started a MySpace account and uploaded a couple videos. I had 50 views and 25 views and three or four people commenting, and I thought that was amazing.

One of the guys that commented said, "Man, this is the best thing I've ever seen. Why aren't you on YouTube?" I was like, "What's YouTube?" So I started just posting on YouTube. It went mad. There was no one else on YouTube doing anything like that, really.

I was really formal. "Hi I'm Rob Chapman and welcome to my guitar lesson. Today I'm going to teach D major scale."

While I was making these videos and becoming obsessed with the process, I realized that I didn't need to be serious. I'm not a serious guy. It's better to be honest about who you are. That was about 10 years ago.

JA: How did you first acquire subscribers?

RC: I didn't even know, really, people could subscribe to YouTube in the beginning. I wasn't really interested in subscribers. I just wanted to make videos and I wanted to get guitar students. So, I wasn't really focused on making content that I thought would get a subscriber. I was view-oriented. Actually, as it turns out, that is way more important than being subscriber-oriented. You can have a million subscribers, but if they're not engaged and viewing, then you're not going to succeed.

I remember one day I made a video. There's this one particular video I made called "Tiny Terror Metal." Where an amplifier company called Orange released a very cool guitar

amp. I was one of the first guys to dabble with it on YouTube and it went viral at the time. It had like 300,000 views, which, at the time was huge. The company contacted me and I became an official demonstrator for the brand on the back of that one video.

JA: When did you notice your views begin to climb steadily higher?

RC: They didn't really climb to begin with. What I noticed was just a really steady, constant stream. YouTube was such a young medium; there weren't a lot of people going there to look. My videos were getting 300, 400 views. It was around that area for years.

Then suddenly it took a little notch up when I released a piece of content while I went to America and filmed the NAMM [National Association of Musical Merchants] show. Then it started to curve up and I noticed that it was exponential. Now I'm making an extra 10,000 subscribers a month. Back then, it was like, a hundred subscribers a month, sort of thing.

So the growth was very slow, but I didn't care. I had no concept at all that one could have a career from YouTube. It was just an outlet for my creativity.

JA: What's your "it" factor that sets you apart from the competition?

RC: Well, I just won Guitar Personality of the Year, for the second year running. So, it's definitely something that people like. If I'm to look at myself objectively, I'd say it's something that certainly helps. Obviously I'm a good guitar player. I sing as well, to a decent standard. But I think what it really comes down to is that I'm a stupid, funny guy. What I get across

on camera is a real aspect of me that people can link with. I love people, and I think that comes across in what I do.

JA: How do you promote your videos?

RC: It all boils down to, if the content is good, they will come. It's as simple as that.

JA: How much revenue are you able to generate from YouTube?

RC: Without giving away too much information, what I can tell you is that if you look at YouTube, you look at my guitar company, and you look at my band, my other areas, each of those areas could be a living.

JA: What other opportunities have arisen from your YouTube exposure?

RC: I would say that YouTube has given me every opportunity I've ever had. Before all the social media, I was a session guitar player for a major label. I was an active musician in the industry, but it wasn't working out. It wasn't for a lack of trying or a lack of being any good. I was really up there doing all sorts of stuff and making a bit of money — but it wasn't going to explode till YouTube came along.

JA: What advice would you give to someone who wants to start a successful YouTube channel?

RC: I used to work for Richard Branson for Virgin Mobile. I met him, I was working as a manager at the time, and he turned up in his jumper drinking coffee from the machine. I just bit the bullet and said, "You know, I'm just going to ask. How did you do what you've done?" And he said, "That's really easy. You just need to look around you at things that are successful, find something that you like the look of, and just alter the brand, because it's really all about brand. Once

you fully understand the power of brand, anything can be monetized and work in your favor.”

Get a bit of paper and a pen, sit down, watch YouTube. Look at what's trending. Then look at your own skillset and think about your assets. What are you able to offer an audience? There are a million fashion bloggers, there are a million guitarists, but everyone is a different person. Everyone has a different thing to offer the community.

I think essentially, it's really key to just do it. The people that don't make it, they haven't made it because they just haven't done it. They haven't done it because they're giving themselves reasons not to. Get out of bed earlier, stop going to your stupid job, get a different job. You know, a lot of people are in the way of themselves. It's really important to just *do* things.



Welcome to the New Century

At our \$200 million VC fund, my business partner smashed the screen on the arcade machine in my office, said, “The internet is a total scam” — and walked out of the office. I never saw him again.

This was in 2001. The arcade game was “Defender,” my favorite. The bubble had burst and we were all feeling the stress, the depression, the fear.

Were we, as a society, so easily taken in? My partner had been a managing director at Credit Suisse before becoming my partner at the VC firm. He gave up a huge salary for even greater fortune. Was he fooled? Was it my fault?

This whole tech thing is over. I’m sick of it. It lasted roughly 50 years and it was good that it came and solved a lot of problems. But now it’s over and we need to focus on what’s next and how to make money with it.

First, an important question: Did we ever really have a tech bubble?

This seems like an obvious “yes” — but it isn’t.

Yes, many companies went public at outrageous valuations in the late ‘90s and early ‘00s. It was an amazing thing to watch. Companies that had no revenues being worth tens of billions.

But the reality is: It worked. The internet was a success.

Every industry goes through these stages:

- Invention
- Speculation
- Financial Manipulation
- Bust
- Success

In 1923 there were 108 companies producing cars in America. Does this mean the auto industry was a bubble? Of course not.

Just a few years later there were three companies left. Last year over 60,000,000 cars were made.

In every industry, it's impossible to predict all of the winners. Else, we'd all be prophets with psychic powers.

So many companies start up. Many companies raise money hoping to be one of the magic three that will survive.

The idea is a good one. ("Automobiles" were a good idea. At the very least they solved the enormous horse manure problem. In NYC alone more than three million pounds of horse manure were dropped on the streets every day in the 1890s).

Companies then start up to take advantage of a good idea that could result in billions in profits. Since nobody can guess the winner, financial speculators take advantage and charge fees on IPOs — plus hidden fees like insider trading, day trading fees, etc.

This financial speculation drives up prices to an unhealthy level until there is a bust.

The internet was the same thing. The idea was good. (Three billion people will use the internet today). Enormous profits were to be made. But nobody knew by who.

In 1998 nobody knew which search engine would win: Google, Excite, Lycos, Altavista, Mamm, GoTo, InfoSpace, EInet Galaxy, or how about the World Wide Web Worm?

From 1990-2000 there were 4,500 IPOs. We had an IPO bubble — not an internet bubble. In the 1999-2000 period the average first day return of an IPO was 68%. Less than half that has gone public since then with an average first-day return of about 10%.

What happens when there are so many IPOs and so much money flooding the system are tons of scams? Companies that should never be public, go public. Every banker was eager to get their hands on the money being thrown at IPOs.

A scam developed called "calendar trading." Here's what a calendar trade was: A hedge fund would open an account at top-three bank and trade back and forth in millions of trades, trying not to lose too much money, but generating enormous fees for the bank.

And then when a hot IPO was on deck (which they saw on the IPO "calendar"), they would get a huge allocation of shares and sell those shares on the first day. Many people made hundreds of millions of dollars doing this illegal activity — and then disappeared forever. (Well, they bought huge art collections first.)

Then we had the bust, like after the development of every new innovative technology in history. And now we have the winners. Clearly Google, Apple, Cisco, etc. are making billions in profits because the internet was simply a good idea that needed to have it's day with the bankers.

But now it's over.

I'm not saying computer technology is dead. It isn't and never will be. But it's no longer a surprise. There's no real way to game it. Uber has a \$72 billion private company valuation, and it's at least a year or more from going public.

New laws have made private investments much more accessible to the average investor who is not based in Silicon Valley. But the whole public bubble thing is over with high-tech.

Let me ask you this: Did you upgrade your phone or computer this year?

I didn't. Do you know why? Because this year's versions did not solve any great problems over last year's versions.

Most "upgrades" from last year's models are around the same size, have the same processor. Basically the same battery. Almost the same camera. Very little improvement to justify spending several hundred dollars.

There's simply no reason to go crazy over the latest phones. They have everything we need.

NOW, what if I tell you that the next phone will have a battery that lasts three months instead of one day?

Then the lines would go around the corner. I would definitely buy that phone. I hate charging my phone. Or trying to figure out if I need to pack a charger when I travel. Or forgetting my charger in the hotel room.

But is this a computer problem? Is it an internet problem?

No, not at all. It's a chemistry problem. The problem is: "How can we extract more battery life from lithium?"

This problem is going to get solved. This is where billions in profits are going to be made.

A great example is with Tesla, started by Elon Musk. Because Musk started PayPal, Tesla is a Silicon Valley-based car company that is roughly considered a tech company — even though it's a car company.

So it had the usual successful IPO at a high valuation, and very few people made a lot of money.

What is Musk doing with all the money he's raising? He's not using it to create better computer solutions in his cars. He's using the money to build a BILLION-DOLLAR battery factory.

He's taking advantage of the leftover hype still in the computer technology industry and transferring that money over to hire chemists and solve a very difficult chemistry problem. Chemists are cheap now. For 50 years, graduate students studied computers.

Guess what the average salary is for a programmer? I'll tell you: \$91,000.

The average salary for a chemist? \$55,000.

Companies that solve hard chemistry problems will simply make more profits.

In fact, if you look at the past 3,000 years, most problems have been chemistry problems.

For the past 50 years, most problems have been computer problems. And while computers and internet tech will continue to get better, the big unsolved future problems will be chemistry problems.

The past is actually the best predictor of the future. What solved our problems for 10,000 years will probably still be the tools to solve our problems in the future.

For example: The Gutenberg Press was largely a chemistry problem. Handwriting ink tended to wash away with water or degrade over time.

Gutenberg strengthened the ink by making it oil based and mixing it with various other chemicals such as carbon, sulphur, copper, and lead.

An amazing thing happened after the Gutenberg-invented press started mass-producing books: Everyone realized they were far-sighted. For the first time ever, people realized they didn't have good enough vision to read a book.

This led to the development of the science of lenses. Everyone needed glasses. Take it one step further and you have microscopes. And one step further and you have enormous advances in the field of chemistry, which led to great advances in everything from medicine to electricity. (The development of the light bulb was a chemistry problem: What compounds should be best used to conduct electricity?)

But it didn't start with the Gutenberg Press. 10,000 years ago, the discovery of agriculture was largely a study of how chemical

compounds interact with each other to produce stable and storable food.

Almost every advance in technology and civilization after that relied heavily on our deeper understanding of atoms, compounds, molecules, chemistry.

Until the 19th century when the rise of mechanical engineering created the Industrial Revolution and the rise of the computer created what later became the Internet Revolution.

But now we are back to chemistry. There are hard problems that have to be solved in order for the world to survive. Energy, biotech, esoteric computer areas like DNA Computing, and Quantum Computing, space exploration, etc.

Why space exploration? Elon Musk's stated goal with another company of his, SpaceX, is that he wants to send a ship to Mars.

Why Mars? We can speculate all we want, but the reality is: Mars is rich in "rare earth minerals." The exact minerals that fuel every power plant in the world. They are "rare earth" for a reason. They're on Mars!

Only.... they are also in China. 97% of the rare earth minerals that the U.S. imports is from China. Meanwhile, there are vast tracts of land in the U.S. filled with rare earth minerals — but they are not easy to extract. Whereas in China they are much larger and hence easier to get out of the ground.

There's another chemistry problem that needs to be solved: How to extract tiny particles hidden in pounds of dirt so we don't have to send rockets to Mars or import from China.

Everywhere you look, there are chemistry problems waiting to be solved. But it is not as sexy (right now) as internet problems.

It's been 200 years since chemical companies have been fashionable in the public's eye. This is going to change as problems in computers, energy, pollution, medicine, will all rely on chemical solutions.

I'm a big believer that the next century brings something

even more remarkable to the public: the downfall of corporatism and the rising of "the choose yourself era" — an era where technology has allowed us to create our income streams and choose our freedom with greater opportunities than ever before.

Again, the average multi-millionaire has over seven different sources of income.

SEVEN.

This doesn't mean seven jobs. That's impossible. And it doesn't mean start seven companies (at the same time). That's also impossible.

Full-time jobs are only one source of income. Even entrepreneurship is one source of income.

And it's not a choice of "should I be an entrepreneur or an employee?" I don't think entrepreneurs have it any easier. There's a high risk of failure.

The key is to develop multiple streams of income. In this book, we'll be looking at many different ways to build income streams. I'm constantly interviewing entrepreneurs and other innovators on how they chose their path to success.

10 Rules for the New Economy

Every now and then I will share not only my ideas, but the 10 ideas of others.

I'm very privileged to know Kevin Kelly. He's a co-founder of *Wired* magazine. He also helped start an online community, "The Well," which predated the web and was my first experience with online communities.

Kevin came up with the concept that all you need to make a living (and buy back your freedom) is "1,000 true fans." I'll write more on this later, but you can read about it on his excellent blog, kk.org. Suffice it to say, anything Kevin says is valuable. And I encourage everyone to read him.

A few years ago he wrote his "10 Rules for the New Economy." The list can also be found on his blog, but I wanted to put it in this book.

- 1. Embrace the Swarm.** As power flows away from the center, the competitive advantage belongs to those who learn how to embrace decentralized points of control.
- 2. Increasing Returns.** As the number of connections between people and things add up, the consequences of those connections multiply out even faster, so that initial successes aren't self-limiting, but self-feeding.

- 3. Plentitude, Not Scarcity.** As manufacturing techniques perfect the art of making copies plentiful, value is carried by abundance, rather than scarcity, inverting traditional business propositions.
- 4. Follow the Free.** As resource scarcity gives way to abundance, generosity begets wealth. Following the free rehearses the inevitable fall of prices, and takes advantage of the only true scarcity: human attention.
- 5. Feed the Web First.** As networks entangle all commerce, a firm's primary focus shifts from maximizing the firm's value to maximizing the network's value. Unless the net survives, the firm perishes.
- 6. Let Go at the Top.** As innovation accelerates, abandoning the highly successful in order to escape from its eventual obsolescence becomes the most difficult, yet most essential task.
- 7. From Places to Spaces.** As physical proximity (place) is replaced by multiple interactions with anything, anytime, anywhere (space), the opportunities for intermediaries, middlemen, and mid-size niches expand greatly.
- 8. No Harmony, All Flux.** As turbulence and instability become the norm in business, the most effective survival stance is a constant but highly selective disruption that we call innovation.
- 9. Relationship Tech.** As the soft trumps the hard, the most powerful technologies are those that enhance, amplify, extend, augment, distill, recall, expand, and develop soft relationships of all types.
- 10. Opportunities Before Efficiencies.** As fortunes are made by training machines to be ever more efficient, there is yet far greater wealth to be had by unleashing the inefficient discovery and creation of new opportunities.

Making Money in the Idea Economy

I did a podcast once with Casey Neistat. He's had several hundred million YouTube views. Fortune 500 companies give him money to shoot videos that they hope will go viral on YouTube.

He appeals to a younger audience (although I love his videos). I know this because my daughter thought I was a huge hero when I interviewed Casey on my podcast. It's not often that a 16-year-old and her friends think that daddy is a hero, so I was happy.

Here's an example that I thought was funny. It's called "Make it Count" after the Nike slogan.

Nike gave him \$10,000 to make a video. But "instead" he and his friend decided to travel around the world until the money ran out. It's funny, it's fast-paced, it's irreverent — and, incidentally, in a backhand way he "made it count."

Mission accomplished.

He also started a social-media network/application called Beme (as in "be me").

His thinking was this: Often we take videos or Instagram pictures by holding the camera in front of our faces, filtering out experiences through the lens of social media before we even have the experience.

His app does things a little differently. He raised \$2.6 million for the business and it seems like it's growing very quickly.

I learned a few things from Casey.

A) PERSISTENCE

He's been doing videos for 15 years.

He said his first video was of his sister's wedding and it was horrible. I don't even think he considers all his videos good. He just works with every single one of them and some are good.

B) AUTHENTICITY

The purpose of his app Beme is that people are not being authentic in social media. They edit, they cherry pick, they only put up the highlight reel of their experiences.

People actually get depressed when they are on Facebook because everyone seems so happy.

Intellectually we know this is not true, but when we see the happy faces of everyone we know ALL THE TIME our reptilian brains assume it must be true.

The purpose of Beme is you take a video by holding the camera at roughly chest level so it doesn't get in the way of the interaction, and then it is posted immediately without any filtering.

His goal is that through sincere and authentic sharing we can build empathy with each other.

I think there is a gray area between artistry and authenticity where we all reside. Sure, we might not be making videos for 15 years, but when we share we put ourselves out there and I think the more authentic and even vulnerable we allow ourselves to be, the closer we are to "art" — which is defined subjectively anyway.

But the important element is this: Being authentic, whether on a personal level or a corporate level, is not only artistic but

creates money. This is why Casey gets paid. This is why Beme raised money. This is why Google grew so fast (it had results that were more authentic than the results of other search engines).

In anything I do, I'm going to try and be more authentic. I try all the time but I can always improve.

C) THE BRAIN

In Casey's studio I noticed a painting of the Facebook home page. I laughed because it looked funny as a painting. I asked him why he did it.

He said that a billion people look at the Facebook page at least once a day. But eventually it will go away. So he wants to make it "permanent" for himself by painting it and hanging it on the wall.

I said, "Why paint it? Why not screen shot it?"

He said, "Because we're always in the screen. I wanted to pull Facebook out of the screen."

I thought it was interesting how he thought about this.

But also, the more important point is: To be creative in one effort means you should be creative and artistic in many efforts.

I did a podcast with Stephen Dubner, co-author of *Freakonomics*.

One thing we spoke about was singing. Stephen thought it was the most important thing he ever learned how to do — how to sing.

And I mentioned to him how one time I was so nervous preparing for a talk that I started learning the words and singing old '70s TV theme songs.

Singing and talking happen in different parts of the brain. I assume painting and video making happen in different parts of the brain.

For instance, if you stutter when you speak, you often have no stutter when you sing.

Before my talk, I wanted to sing because I wanted to get as many parts of my brain working as possible. Plus combining that with my love and nostalgia for '70s themes songs — “Chico and the Man,” “Welcome Back, Kotter,” etc.

I think Casey's videos directly benefit from his exploration of other artistic media.

It's no secret that many great scientists and mathematicians came up with their greatest a-ha! moments when they were taking walks and just spending time in nature.

It's often when you observe and discover the beauty of something else, that you finally penetrate the beauty of what you had been staring at for so long, frustrated.

No wonder the word “eureka!” was famously first uttered in Archimedes' bathtub.

D) STORY

Casey mentioned to me that in every video he does now, there's a beginning, middle, and end. And that's often how he can tell the difference between a good video and a bad video.

I think this is a critical thing for business people to learn. We very often have to communicate our ideas to all of our constituents: shareholders, customers, employees, partners, etc.

We're on one side of the shore. Everyone else is on the other. The idea is in our hand — how do we get it across the shore?

The story is the boat. The beginning, the middle, and end is the narrative path that takes that boat to the other shore.

E) DETAILS

I said to him that I like how every two or three seconds there's a cut in his video to keep the emotional pace going quickly in the video.

He shook his head. “I'm looking at every 1/24 of a second in

each video. Every frame has to move the story.”

He showed me one five-minute video that took him three months to edit.

F) NO TIPS

I asked him what three or four tips would he give to an aspiring filmmaker, and again he repeated the persistence aspect.

He said, “I don't believe in tips. You just have to do the work.”

He said he was into skateboarding but “I can't just go to Tony Hawk, the best skateboarder ever, and ask him how to be a better skateboarder. He can't verbalize it.”

You just have to do the work, a concept often repeated by another inspirational creator, Steven Pressfield, author of the books *The Legend of Bagger Vance*, *The War of Art*, as well as my favorite, *Turning Pro*.

G) EVERY DAY

Casey does a video every day and posts it. It's a discipline, it's practice, it makes him better.

“At first I started doing it just to make sure I could use it to advertise Beme when Beme was released. But then it became part of my routine.”

I make sure I write every day. Almost every writer I know writes every day. It's the only way to keep all the brain cells constantly percolating over what you love.

Tech Isn't Going to Eat the World

I'm sick of everyone being wrong about one critical issue.

And yet... I'm embarrassed to write about it.

Because is Elon Musk really wrong? Is Robin Chase, the founder of Zipcar, really wrong? Aren't they smarter than me?

Yes, they are. They are all building rockets and teleportation machines and revolutionizing entire industries.

But there is one thing that I am absolutely sure they are wrong on. And history backs me up on this. Common sense backs me up on this. Basic counterexamples back me up on this.

I always want to make sure I'm not the worst idiot in the room. That I'm not just being overly optimistic, because that is my nature. So I try to think of the worst-case scenario and then make a case for it.

But I just can't on this one issue.

Here's the issue: If artificial intelligence (AI) and automation really destroy all jobs and change all industries, won't everyone get super poor and we'll need a Universal Basic Income to survive?

Elon Musk, Robin Chase and many other billionaires say “yes.”

Am I against a Universal Basic Income? I don't know. It works for the world of Star Trek. It doesn't work for the world of Star

Wars. So who am I to say?

It would be nice for everyone to have free money, but that's not the way the world has ever worked.

Let's look at the reality.

Many industries are changing because of automation and AI:

- Cashiers at retail stores are being replaced by self-check-out stations.
- People who work in warehouses, like Amazon warehouses, are being replaced by robots that roll around the warehouse floor picking products and putting them in boxes to ship out.
- Truck drivers, cab drivers, people who makes cars, etc. are all being replaced by smart machines.
- And, yes, a lot of high-income jobs are being replaced by automation and AI as well: surgeons, some lawyers, accountants, etc.

Will all of these people become homeless?

Let's assume they will be. That millions of people will be without jobs.

Then I ask the very basic question: If that happens, who is buying what the robots produce?

Nobody.

Even the rich will stop getting richer. The doctors and lawyers will be out of jobs.

Automation doesn't just affect Walmart cashiers. The next wave of AI is going to affect MANY higher-income jobs. Get ready for it.

Right now there is ENORMOUS demand for many services and products that society has never been able to meet.

A basic example from the recent past: ATM machines. There was huge demand for an easy-to-use machine that would allow

people to get cash without going into a bank and waiting in line.

The bank teller industry was terrified. Would this be the end? Would we no longer need tellers?

Here's the truth of what happened:

- It turned out the demand for banking services was FAR greater than simply getting a few \$20s.
- The cost of providing banking services went way down, allowing banks to open up more branches and provide more services to their customers.
- More services provided meant greater conveniences for consumers.
- The lower costs per service provided allowed banks to offer 10 times the number of branches that existed previously.
- Today the number of bank tellers and other bank employees is probably 1,000% or more greater than it was when ATM machines were created.

That's just one example. Now let's go to the theory: The increase in automation and AI will allow more supply to be created for services and products that are in great demand.

This will create more conveniences for consumers at cheaper prices. Consumers like cheaper prices. It gives them more money.

And selling greater supply at cheaper prices will allow businesses to tap into greater profits. Those greater profits will allow for greater expansion, more products and services offered, and more employees hired.

For a moment, assume I am wrong.

Assume that automation creates huge pockets of unemployment and poverty. If that happens, there would be no demand for the increase in services and products. There would be no

need for automation at all. So companies would stop investing in it.

Here's some more positive evidence: We've recently had 86 months in a row of private sector job growth. This, at the exact same time that automation and AI have begun infiltrating every industry.

It is no coincidence that automation is tied hand in hand with job growth. More profits equals more capital expenditures equals more job growth.

True, there might end up being fewer cashiers in the world. But that's fine. Maybe cashiers want to explore different jobs. Who knows?

Creative destruction has been part of the economy since the beginning of the concept of “an economy.”

Do you know where the word “Luddite” comes from? A Luddite refers to someone who hates technology.

Ned Ludd was afraid of sewing looms. He thought it would put seamstresses out of business. The people who make the clothes.

So he would burn the looms, which at the time were a groundbreaking new technology.

Did the seamstresses lose their jobs?

Maybe they did. Some certainly did. But an entire fashion industry was created. Demand went up huge for fancy dresses that were now cheaper and no longer accessible only to the upper classes.

Millions of people who otherwise couldn't afford these dresses until now started window shopping in London and buying more dresses than ever before.

Huge shopping stores sprung up, creating more jobs. Entire industries were created out of nothing simply because of the invention of the sewing loom. In fact, it can even be argued that the entire Industrial Revolution was kickstarted by this “automation,”

even though many seamstresses might have had to look for new opportunities as a result.

For one thing, the demand for dresses created new demand for cotton. This opened up greater trade between England and the U.S., which created many more jobs. And sadly, it also turned up the volume on the slave industry to extreme levels, which led to the U.S. Civil War.

So yes, creative destruction cuts both ways, creating and destroying. But ultimately, freedom and wealth have become the result in every case. And freedom and wealth create jobs.

One more example, which is my own.

I was a computer programmer who, for a while, specialized in the technology to create websites.

That skill set is no longer needed by anyone. Wordpress allows people to create entire websites at the touch of a button without having to do a bit of coding. And these are websites that would have taken me a month to make back in the '90s.

Did I lose my job? No. But my job changed.

Rather than me creating websites for others, which became a commodity, I started creating websites that I loved. And websites that I felt other people could use. It wasn't about just the site itself anymore, but what it offered and how useful it was.

This allowed me to create greater efficiencies when I made websites that helped people. This, in turn, led me to hire people and create jobs and wealth and many other opposites.

Creative destruction is a part of life. Things change. But if things change for the worse, the laws of supply and demand mean that their value goes to zero. Automation would stop. But if things change for the better, then wealth is created across all income classes.

And then jobs are created. Prices are lower so consumers are happier. And life becomes richer with greater opportunities.

That's the world we're heading toward.

Meet Your New Career Path: The Jobs That Tech Is Creating and How to Get Them

I'm so excited for the future.

As I mentioned in the last chapter, AI and automation aren't going to destroy the job market like so many people expect. But technology WILL shake things up quite a bit.

Just ask the buggy whip makers and the lamplighters. When tech came for their jobs — the automobile and the electric light-bulb, respectively — it happened fast and it was permanent.

I'm not saying that this is happening right away, but soon we're going to see a new landscape of jobs. It's important to get ready for it.

But again, it's not going to be all bad news. We're also going to see a lot of new, exciting jobs pop up in the next few years, as technology continues to change our lives and the work we all do.

Here are five of the biggest trends in tech today, and some of the jobs that each is going to CREATE.

The time is now to get started preparing for side hustles in these new opportunities.



NEW INDUSTRY #1: BIG DATA

Hot job trend: Data scientist

Income range: \$116,000–\$163,500

Projections: Data science and analytics jobs are projected to grow by 28% (by nearly 364,000 job postings) by 2020.

TREND AND JOB OVERVIEW:

Harvard Business Review named data scientist the hot job of the 21st century — and for good reason.

In 2013, it was noted that 90% of the world's data had been created over the previous two years. And it's not slowing down any time soon — especially thanks to the emerging Internet of Things (IoT).

But it doesn't matter how much data is out there; what matters is how it's used. That's where data scientists come in. Data scientists collect, analyze, and interpret data — and link the connections between the data to find trends. The job duties may vary depending on the company, but the gist is that the data scientist helps the company identify and interpret emerging trends, untapped marketplaces, consumer needs, sales numbers, and much much more.

A lot of this is done through coding, algorithms, and statistical analysis. But the data scientist also has to be able to clearly communicate their findings and help find solutions.

REQUIRED/DESIRED SKILLS:

- Programming languages (such as Python and SQL)
- Familiarity with analyzing different types of data
- Statistics and probability
- Coding
- Ability to communicate complicated ideas clearly

TRAINING/EDUCATION:

39% of data scientists and advanced analyst positions require a Master's or PhD. So if this field interests you, you may want to consider higher education. But other opportunities exist where a degree isn't required. Start with some books and online training courses. Here are a few to think about:

- The SQL Tutorial for Data Analysis
- Introduction to Python for Beginners
- Coursera's 9-course intro to data science

Other job opportunities in the field: Data analyst, database administrator, data architect, data manager, big data engineer, market research analyst, computer systems analysts, web developers.



NEW INDUSTRY #2: INTERNET OF THINGS

Hot job trend: Software developer / programmer

Income range: \$98,260–\$105,570

Projections: Job growth (from 2014–2024) is 19% for applications software developers; 13% for systems software developers.

TREND AND JOB OVERVIEW:

The entire world is about to come online, thanks to the Internet of Things (IoT). Everything from your FitBit to your refrigerator to your thermostat to your toilet will be connected via the internet — automating your life and gathering data, from your health to your favorite kind of music. Some predictions forecast that by 2020, over 50 billion devices will be connected to the IoT, and the industry will grow by 50% before 2020.

With the massive amount of devices about to come online,

the need for programmers and developers to create new services, write new applications, and develop new interfaces will boom. Some estimates suggest that as the IoT continues to grow, over 4.5 million people will be needed to work on it.

That's where you come in.

Software development may sound like a job heavily involved with math and science, and it is. But it's also a highly creative field. It's the job of the IoT software developer to bring new user-friendly programs for the IoT — all the way from conception to reality. Programs that others could never dream of, and programs that will improve the users' daily lives.

REQUIRED/DESIRED SKILLS:

- Programming languages
- Coding
- Development software such as C, C++, and Java
- Object-oriented design
- Creative thinking
- Attention to detail

HOW TO GET TRAINING:

Many software engineering jobs require bachelor's degrees in computer science, software engineering, or a related discipline. There are also certification programs accredited through the Accreditation Board for Engineering and Technology that you may want to consider if this field interests you. You can search for local programs through the board's website.

However, before you jump into a heavy-duty program, you might want to dip your toe in the water to see if this field is of interest to you. Here are a couple of online courses to look at:

- Microsoft Virtual Academy Software Development Fundamentals
- MIT's free Introduction to Computer Science & Pro-

gramming (MIT offers a series of free courses with a focus on software and programming skills)

- Intro to Java Programming through Udacity

Other job opportunities in the field: Chief IoT officer, IoT business designer, fuller stack developer, lead IoT engineer.



NEW INDUSTRY #3: VIRTUAL REALITY

Hot job trend: User experience / User interface designers / developers

Income range: Anywhere from \$85,000 to \$111,000, depending on your specific role

Projections: UI developer jobs are expected to increase by 19% from 2014–2024. (It's worth noting that the U.S. Bureau of Labor and Statistics says that the average growth rate for jobs in that timeframe is 7%.)

TREND AND JOB OVERVIEW:

Imagine visiting the top of Mt. Everest from your living room couch. Or visiting your family who lives in another country without ever getting on a plane. Or trying on clothes at your favorite store without ever leaving the house.

Those are just SOME of the future applications of VR.

VR has already been used for some amazing things, like helping a long-distance dad be in the delivery room for his wife to give birth to their first child.

The possibilities with VR are endless. And they're right around the corner. A Greenlight Insights report predicts that VR revenue will reach \$75 billion by 2021.

Which explains why jobs in VR are already skyrocketing.

Job platform SmartRecruiters saw more VR posted in the first quarter of 2016 than in all of 2015. Indeed.com also saw an 800% increase in VR jobs from 2014 to 2016.

The skills for VR are across the board: software development, visual design, and user experience design.

UX and UI designers and developers are the people responsible for how we as users experience the digital world. They shape the entire user interface. And since VR will literally be a new digital landscape that will involve direct, hands-on interaction by the user, this job will be in high demand.

REQUIRED/DESIRED SKILLS:

- Experience in visual design
- Human-centered design: Understanding of the ways users expect to interact with the digital world
- Responsive web design
- Front-end web development languages
- Programming languages
- Adobe Creative Suite programs

TRAINING/EDUCATION:

Many UI jobs require a bachelor's degree, often in disciplines like computer science, graphic design, software engineering, or something similar. But it's certainly not a requirement. A Course Report survey found that coding bootcamps help beginners in the field increase their salary by \$55K-\$85K — many who started with no experience and no college degrees.

If you think a career in VR and UX/UI may be for you, take a look at some of these online education/training options:

- UX/UI design boot camps
- Udacity's VR developer nanodegree
- UI Design with Photoshop from Beginner to Expert in 15 days from Udemy

Other job opportunities in the field: VR developer, web developer, software engineer, graphic designer, 3D visual artist.



NEW INDUSTRY #4: ROBOTS AND AI

Hot job trend: Machine learning engineer

Income range: National average of \$114, 826

Projections: 11% growth from 2014–2024 (for computer and information research scientists)

TREND AND JOB OVERVIEW:

As I mentioned already in this book, the field of robotics and artificial intelligence will create a whole new industry, just like every other trend we've covered. And new industries require workers.

According to a report by the World Economic Forum, AI will create 58 million new jobs by 2022.

These jobs will range from robotics engineers, to trainers teaching robots about human behavior, to the job we're about to discuss: machine learning engineers.

A machine learning engineer is exactly what it sounds like. This person is responsible for developing components of artificial intelligence so that the AI can learn, make decisions, and take independent action based on its own knowledge — without constant human supervision.

REQUIRED/DESIRED SKILLS:

- Software engineering
- Data fields like physics and statistics
- Data modeling and systems design
- Coding and programming, experience with open-source projects

- Curiosity
- Problem solving and creative thinking

TRAINING/EDUCATION:

A report by hiring data firm Paysa notes that 26% of AI positions require a master's degree and 35% of AI positions require a PhD. But that doesn't mean you should count yourself out if you don't have higher education; one out of every five AI job postings don't require any degree.

If machine learning sounds like something that interests you, try some online education first. Here are some suggestions:

- Machine Learning Engineer nanodegree from Udacity
- Become a Machine Learning Engineer (course series by Coursera)
- Machine Learning by Stanford University

Other job opportunities in the field: Robotics engineer, software developer, data scientist.



NEW INDUSTRY #5: CYBERSECURITY

Hot job trend: Data security analyst

Income range: Around \$92,600

Projections: 18% growth (for information security analysts)

TREND AND JOB OVERVIEW:

This industry is already growing rapidly, but it will continue to grow as a natural side effect of the two above trends: Big Data, and the Internet of Things. As more cyber data continues to be created and collected — especially as more and more devices are connected through IoT — the risk for data breaches will become

more widespread. And the need for cyber security will grow.

Will someone be able to hack into your smart toilet and gain access to your entire medical history? Or even your entire data network, since it'll all be connected?

Or if someone hacks into a company that has all your data, what then?

In September 2014, it was reported that 43% of companies in the U.S. had a data breach. Then 2016 was a record year for data breaches, with 1,093 total breaches of U.S. companies and government agencies — a 40% increase from 2015.

So clearly, there is a need here. And data security analysts are filling it. It is the job of the data security analyst to make sure that information is safely stored in a system that can't be breached. And if the system is hacked, it's their job to figure out how — and to repair the issue so that it doesn't happen again. They are in charge of implementing and updating the security software to prevent cyber attacks.

REQUIRED/DESIRED SKILLS:

- Understanding of the best cyber security software
- Communication and training skills to educate other employees on security protocols
- Ability to identify the cause of network breaches and how to repair them
- Understanding of cyber forensic data
- Programming
- Systems analysis

TRAINING/EDUCATION:

65% of people filling these positions have a bachelor's degree, usually in fields like computer science, information science, science and technology, or something similar. But it's not necessarily a requirement; some employers might find postsecondary certificates to be adequate.

One such certification is the Systems Security Certified Practitioner, offered through the International Information Systems Security Certification Consortium. Another is the Certified Information Systems Security Professional.

Other job opportunities in the field: Computer research scientists, data analysts, information systems managers, computer network architects, database administrators.

Entrepreneurship Opportunities: Finding the Opportunity You Love

Here's the problem: Every time someone writes a line of software, a job is lost.

This sounds almost flippant, but it's true.

From 1994-1997 I was working in the IT department at HBO, largely writing code. Then I started two software companies. I kept thinking to myself, once this code is written, why would they still keep the people who are doing "X" — where X was the service being performed by my code that was currently (at that time) being done by an entire team of people?

Well, eventually those people were moved around for a while, and then eventually they either quit (disgusted) or were let go.

It reminds me of how an anorexic eats their food. Have you ever watched an anorexic eat? They have a plate in front of them. They just move the food around so the plate looks like it's being eaten on, and then they leave all the food there.

That's what companies started to do with employees. The companies were getting so lean they were anorexic. They would move the people around until finally the people were mashed together, not performing any useful function, and then thrown in the garbage.

How's that for an analogy?

Every efficiency in the market either moves the economy

forward by doing something that's never been done before, or eliminates a now-inefficiency in the market.

Since the economy is barely growing, it's not innovation that is currently fueling things (although that is coming) but the elimination of inefficiencies. And unfortunately, that means either the elimination of jobs or the desire to eliminate those jobs.

This is why salaries have gone down versus inflation since 1994 (coincidentally beginning with the rise of the internet and the trillions of dollars in efficiencies the internet brought with it).

While the internet has been a great thing for the world, it has transformed the job landscape.

But every "platform" that's created by software (such as Amazon, Google, eBay, Uber, Airbnb) has also created opportunities for making money by "solopreneurs" that have never existed before.

So we called around to a few people who were making it on their own after giving up other opportunities in the more "traditional" world and we spoke with them for hours each about how to do what they do now.

Here's what we found:

BRIAN CASEL – PRODUCTIZED SERVICES

Brian Casel used to work as a freelance web developer, building websites for clients. But after a few years, he realized that his business simply wasn't sustainable in the long run.

With each new client, he would have to spend at least an hour or two talking on Skype, asking questions and learning their exact needs. Then he would spend a half-day writing a detailed proposal. Then, all too often, the client would decline. All of that work — down the drain.

This reminded me so much of the pain I felt when dealing with my own website design clients in the '90s. I felt for Brian

and could understand why he didn't want to do that anymore.

And since each client had unique needs, he had to learn how to solve new problems for every project. He quickly found himself having to be everything to everyone. The amount of time and energy was enormous, and he soon hit a ceiling in the number of new clients he could take on.

That's when he stumbled onto an idea: What if he got hyper-focused and only provided one kind of website to one kind of client?

This way he could design the site in advance, tailored specifically to his ideal customer. It would be a service — web development — but delivered as a product.

For one fee, you received one product, clearly defined up front. This would eliminate all of the back-and-forth and ambiguity of unique client needs.

He ultimately decided on the restaurant industry, and soon launched RestaurantEngine.com. Over four years, he built up the business through content marketing — posting to his blog and guest posting to other sites, which resulted in strong SEO for key terms. And he ended up with about 200 paying customers and low five-figure monthly recurring revenue. In 2015 he sold the business for about \$185,000.

It was basically "restaurant-website-in-a-box," and it was a way to build a scalable business in a specific industry using his skillset.

A restaurant could go to the site, pick out some templates, and BAM, have a website at a click of a button.

Often the way to find a business is to apply your skills to a smaller and smaller niche until you identify the niche you can scale in.

He built that up and then exited the business.

One of the key factors in the growth of his business was content marketing. He wrote on his blog about the critical pieces of website design for restaurants. Anyone designing restaurants

would search on “restaurant website design” and end up at his website.

He would also syndicate his content to other websites in the industry.

Don’t be so precious about your own personal website. You just want your content (and name) to get out there if you have something to offer. Give content freely so that you become the source when someone needs to pay for services that you offer.

Given that content marketing was such an important factor in the growth of his business, soon after he exited Restaurant Engine, people started asking for his content marketing expertise. He suddenly had a new area he was an expert in: for any industry, how to build up your content marketing to become a force in that industry.

This sparked the idea for his second business. Since he already had a team and all of the systems in place, he could deliver high quality content for clients for a flat monthly fee. It would be faster and cheaper than businesses having to create their own in-house content teams.

Thus, AudienceOps.com was born. 10 months later, Brian had 27 contracted clients and was doing \$35,000 per month in recurring revenue.

His first few customers came as a result of his personal brand-building on his own blog and podcast, but since then most of his customers have come in organically through word-of-mouth, content market and, a few, from cold email campaigns.

According to Brian, “What I often write, speak, teach is that Productized Service is ‘the path of least resistance’ when you’re trying to make the transition from a job or consulting to building a product business.”

That’s because it can be launched to paying customers very quickly — and doesn’t require investing in a lengthy product development cycle. All you have to do is craft an offer and start

delivering the service immediately, then streamline the process as you go.

It’s also easier to sell than selling your time as a consultant. That’s because it’s easier for a client to budget for and buy your productized service than it is to hire a freelancer by the hour.

When you solve a specific problem in a specific way, and a client has that burning problem, it’s a “shut up and take my money” type of situation. Compare that to a hiring a freelancer, which involves a quote, discovery, proposal, defining scope, etc. which is a very painful process for both sides.

Now Brian is seen as an expert in productized services, and he has helped dozens of entrepreneurs to launch their own businesses. He explains the step-by-step process to starting your own:

Step 1: Identify a service you’ve mastered in your day job.

Brian suggests taking inventory of the tasks you already do. If you have a day job, chances are you’re already doing something valuable that can be offered as a service. And the benefit of a productized service is that it can be niche. You don’t need to be everything to everyone; you just need to solve a very specific problem for a specific kind of client.

Ask yourself, “What can I picture myself doing every day?” If you can combine something you’re interested in with a skill you’ve mastered in your job, that’s a great start for a productized service.

I understand this is not all easy. But I know it’s possible.

I’ve interviewed Tony Hawk, who has made hundreds of millions of dollars via his skill at skateboarding.

Even he has stated, “I skate and was able to make millions. No matter what your passion is, you can make a million.”

I was talking to a friend of mine recently who was a waitress for many years. She can look at any restaurant and almost within minutes predict the exact date it will fail and why. This is a monetizable skill.

No matter what you do, there is a way to make money off of it.

How can you find what it is? It might be hard or it might be easy. For me, the way I was able to do it when I was unsure of my passions was to make sure every day I:

1. Read
2. Wrote down 10 bad ideas

People ask me, “Do you save your ideas?” No. I don’t.

I know that it’s just exercise of the creativity muscle, the idea muscle. I also know the ideas get better and better, and if I focus my approach in one area, then eventually I will find the ideas I need.

It’s like drilling for oil in an area where all the science has proven oil exists. You just need enough time and resources to keep drilling, and eventually you will hit oil.

Step 2: Warm leads.

Another benefit of choosing a skill that you’ve already done in your day job is that it means you probably already have some kind of network in that industry.

Brian suggests making a list of 25 potential leads and sending a simple email explaining your service and asking if they would like to sign up, or if they know of anyone they could recommend. In both of his businesses, this is how he got his first customers and created cash flow on day one.

You don’t even need to build a website. Brian knows many people who have launched their service in one day — simply by emailing a PayPal payment link.

This is also what happened to me. I worked at HBO, which is owned by Time Warner. One of my first clients when I set up my business was the website timewarner.com

Step 3: Cold leads.

Now it’s time to approach cold leads. Brian suggests making a list of 100-500 potential clients.

Once you have a clear idea of who your ideal customer is, you can just look up businesses on Google or Yelp. Create a spreadsheet with their names and contact information, and use mail merge to contact all of them at once.

Step 4: Content marketing.

This can take countless forms: webinars, podcasts, blogs, etc. You can choose anything you enjoy doing, but the point is simply sharing your message as a way to raise awareness of your business and your offerings.

I’d recommend blogging on open-publishing websites like Medium, LinkedIn, Quora, and so on. As well as posting on Instagram, Pinterest, Youtube, and other social media platforms if you can.



JENNY DUROSE – FACEBOOK ADS MANAGEMENT

Jenny DuRose did everything she thought she was supposed to do.

In 2009, she graduated with a PhD in biochemistry. By 2014 she was working as a researcher in molecular virology. She loved her job. She had followed the perfect path in her profession and it looked like it was paying off.

But then her lab ran out of funding and she was let go. Suddenly she found herself unemployed and with bleak job prospects.

That’s when a friend who ran a digital marketing firm gave her a break. He was running Facebook ads for clients and had \$30,000 in advertising budgets to spend each month.

He told her, “I need someone to run these accounts for me, and I know that with your scientific mind, you can master them quickly.”

Jenny dove in headfirst. She started learning everything she could about running Facebook ads. Not only did she learn the mechanics of the platform, she immersed herself in copywriting, human psychology, consumer behavior — anything that would give her a leg up. Soon she was making huge returns for her clients.

The principle is simple: If you can read 20 books on a subject and 20 blogs and study 20 careers, then you are probably in the top 1% of your field.

Jenny still works with the same friend, but now she also has her own consulting firm on the side. She works with seven clients and charges anywhere from \$1,500-\$3,000 per month for each client. She makes in two months what she used to make in an entire year.

Don’t worry, you don’t need a PhD on your wall to get started in Facebook ads. Jenny outlined a step-by-step process that you can use to get started:

Step 1: Take a course.

Jenny recommends Facebook Ads University. She admits that she’s biased — since Jenny works for the company that produces the courses. But she says she hasn’t seen anything else that comes close to the quality. And since they offer a monthly subscription rather than a one-time fee, it can actually be extremely affordable.

Whatever course you choose, she recommends treating your studies like a serious education. Cut out the mindless TV and spend an hour or two each night studying instead. You’ll be amazed at how much you can learn in a short amount of time.

Look at the cost of the course as an investment in your career. Compared to the cost of her PhD, and considering how much money

she earns now, Jenny considers cost of the courses a bargain.

Step 2: Experiment on your own projects.

Jenny and her husband run a side business called Immortal Laces, selling indestructible shoelaces for skateboarders.

Having her own product gives her the chance to test ideas and see what works, rather than risk her clients’ money. She recommends you do the same.

Create a simple digital product, even if it’s just a \$0.99 ebook, and start playing. Test headlines, images, ad copy, color combinations — and master the art of increasing conversions and lowering acquisition costs.

She says the market is bursting at the seams with inexperienced marketers who have taken one short course and now pass themselves off as experts. It’s a challenge because you’ll have a huge amount of competition. But if you’re serious and can prove that you deliver real results, you’ll find enormous opportunity.

Step 3: Find your first clients.

Jenny admits that when you’re just starting out and don’t have a track record, it will be difficult to find and land initial clients with big budgets.

One of Jenny’s tips: Go for a drive and write down every company that has bought a billboard. Since billboards can cost many thousands of dollars, they obviously have an advertising budget.

Go to each company and offer to run their Facebook ads free for the first month — and negotiate a fee moving forward if they’re happy with the results. Once you’ve done this a couple times, you’ll have the data to prove your results and start approaching more clients.

Jenny started working with a physical trainer in her hometown. For just \$200 a month in ad spending, she was able to get him three new clients each month. His clients pay \$700 per

month, and stay for one year on average. So every \$200 spent in ads returns over \$25,000 over the course of a year. Just think what kind of fee you could negotiate if you delivered those results!

Step 4: Apply your tactics to your own business.

After you've landed a few clients, Jenny says you're ready to create your own agency. Build a website, start your own social accounts, and drive local traffic to your site with your now-expert advertising skills.

Then start hiring unemployed science researchers to manage all of your new accounts. If you charge \$1,500-\$3,000 like Jenny does, you could quickly scale up to many tens of thousands of dollars per month.



GREG MERCER – CREATOR OF JUNGLESCOUT.COM

If you've followed me for a while, you know that I'm a big fan of the "Alibaba Arbitrage" strategy.

Greg Mercer, creator of JungleScout.com, gives a great summary of how it works.

Find a product on Amazon that sells a lot of units but has a low average rating.

Read the comments to identify the main complaints.

Use Alibaba.com to find the manufacturer of the product (Greg says it's surprisingly easy) and ask them if they would make the same product for you, but make a few changes to address the complaints.

Have the product sent to the Amazon warehouse (this is called FBA, or "Fulfillment by Amazon"). Now Amazon will ship for you. You never have to touch your inventory.

Use ReviewKick.com to get a lot of reviews fast, so that the Amazon algorithm will start showing your products (Greg does zero advertising off of Amazon).

Greg and his wife have private labeled three-dozen products this way and do \$450,000 per month in revenue.

It can be expensive to launch products due to development costs, minimum order quantities, and shipping times. Greg estimates that it probably costs **\$5,000-\$10,000** on average.

Some products that Greg created based on this technique:

- A) He found bamboo marshmallow skewers on Amazon, but all the reviews complained that they were too short so their hands had to be too close to the fire. So he got on Alibaba, found the exact same manufacturer, and said "will you make me those same skewers but six inches longer?" It was a super easy fix for them. He didn't even have to look at the product. He just sent it straight to the Amazon warehouse, and just like that he took over that small niche.
- B) He found a dog staircase — steps that you put next to the bed so your dog can climb up and down. It had legs that folded up for storage, and all the reviews complained that the clasps that held the legs open were too flimsy. So when big dogs stood on the steps the legs collapsed. Once again he found the manufacturer and asked if they'd make him the same product but with better clasps. They sent him a picture of all of the clasps they had in inventory and he picked the most robust looking one. Once again that's the only change he had to make — and he was able to take over the "storable dog steps" niche.

Was his passion in life "dog steps"? Of course not. But he had a passion for finding solutions to problems people were having. And he used that passion to fuel his research. Now he can easily find products, find solutions, and make money.



BRANDEN HAMPTON – PRIVATE LABELING WITH INFLUENCER MARKETING

If you're an "Ask Altucher" fan, you may remember Branden as a former guest on my podcast.

Branden had a successful real estate career. That is, until the housing market collapsed. Within 30 days the career he had built came crashing down.

The way he tells the story: He moved into a tiny apartment and he didn't get out of bed for two years. He played online poker and his girlfriend brought him groceries to keep him alive.

Then one day he downloaded the Twitter app to his phone. He created a joke account just to entertain himself, but he quickly got addicted to the science of growing his audience. He developed a talent for it, and soon he had thousands of followers.

That's when he got an idea: What if he created Twitter accounts around broad topics, grew them with his newly honed social media skills, and then sold advertising?

Within a couple years, he had dozens of accounts, with nearly 40 million followers, and was making six figures every three months.

Fast forward to today: Branden has leveraged his social influence to launch or invest in dozens of businesses. Between the tens of millions of followers he personally commands, and the hundreds of millions of followers across all of the influencers that he works with, Branden has an enormous reach and has become a king of influencer marketing.

Which brings us back to the Alibaba Arbitrage. Branden has private labeled many of his own products. And while he works with a fulfillment center today, he has a great strategy that goes back to his bootstrapped roots.

Step 1: Identify a product.

Branden recommends using a similar approach to the Alibaba Arbitrage.

Use Amazon to find products that are selling well but have low ratings.

In some cases, you can ask manufacturers to make simple design changes based on reviews that drastically improve the quality.

In other cases, you can find products that don't need any changes — they simply suffer from terrible marketing. Private label the exact same product with a new brand, or develop a clever marketing strategy, or sell it to a different niche. That's exactly what DollarShaveClub.com did with Dorco razors.

Step 2: Handle shipping yourself.

In the Alibaba Arbitrage strategy, the next step would be to have the product shipped to Amazon's warehouse, or to set up third-party fulfillment.

As Greg Mercer mentioned though, minimum order quantities and lead times can make startup costs expensive. Branden gives a low-cost alternative: Order the lowest possible quantity of your product. In fact, tell the manufacturer you want to see a few prototypes and negotiate a smaller-than-average sample run.

Then, if the product is small enough, simply have DHL or FedEx deliver it to your house by air. Get on stamps.com and order a free scale. Now you can handle all of your shipping from your computer.

Step 3: Buy paid shoutouts from Instagram influencers.

In his book *#AskGaryVee*, Gary Vaynerchuk dedicates a whole chapter to "influencer marketing." This means people with large followings on social media that you can pay to post content about your product. Gary says it's probably the most undervalued form of advertising today.

Branden completely agrees. He recommends searching for influencers or accounts related to your product on Instagram. If an account is available for paid shoutouts, they'll have an email address in the bio, or their username for the messaging app Kik, a popular tool for most Instagram advertisers. Contact them and ask for rates. Send them the product photos, PayPal them the money, and you're done. In some cases, you can get your product in front of 100,000 people for as little as \$50.

In time, you can scale up and use the Alibaba Arbitrage techniques that Greg teaches, like using FBA and setting up your Amazon sales page. That's exactly what Branden did. In fact, he has developed such good relationships with fulfillment centers and manufacturers that now it's become a speedy process for him to start new businesses. For example, last month he private labeled a teeth-whitening product called Sparkly White Kit. He said he spent maybe 15 minutes a day on the launch, and he's already made \$40,000 in the first 30 days.

Buy, Borrow or Steal: How to Start a Business Without a Big Idea

Here's the truth: There are a million different ways to make money today.

That's really important to understand because the entrepreneurship world often seems like an echo chamber. I'm always talking about Elon Musk and Mark Cuban and Larry Page. Or I'm constantly talking to smaller entrepreneurs who start with nothing, have an idea or two, create a product or service, get a customer, and start making money and scaling.

The problem we have right now is that people try to skip steps when they become an entrepreneur.

They think, "I have an idea, so I can raise VC money and quit my job."

Then they spend months putting together a pitch deck, then going from venture capital firm to venture capital firm — until someone finally shakes their hand and says, "Here's a check for \$1 million."

This is called VC welfare. If you live on welfare, most likely you'll die on welfare.

The reality is that there are tens of millions of entrepreneurs out there who you've never heard of, using business models you've never even considered, and they're all choosing themselves every day to live life on their own terms.

Not everyone can be Steve Jobs. Although, let's look at Steve Jobs for a minute, because some of the entrepreneurs I've spoken with did some of what Steve Jobs did:

- He did lots of experimenting. Jobs' first business with Steve Wozniak was to sell a device that hacked into pay-phones for free. Then he was a freelance game-maker, and then he made a home circuit board, before finally getting into the home computer business.
- He built up lots of expertise and "relationship capital" with people like Wozniak, who was actually the developer of the initial Apple computers.
- Lots of risk diversification (Apple ultimately dominated not just computers, but also phones, music, games, and even movies).
- And finally, he hired the best people in the world (Tim Cook, Jony Ive, etc.) to make sure that Apple products continued to be remarkable.

I invested in a company several years ago that went out of business after about a year. It's OK — about 70% or so of angel investments fail. This was one that failed. What went wrong?

- The partners did not get along.
- They had no expertise in the industry.
- They couldn't raise money when times were tough and they had poor money management skills.
- They priced their products to depend on continued VC welfare.

So they never built up their expertise in the area and they did not manage risk well. Why did I invest? I made a mistake. I shouldn't have.

And, by the way, they had a revolutionary idea. Sometimes

(usually) that's NOT the critical factor in success.

That's why I wanted to speak with people who became entrepreneurs without revolutionary ideas. They didn't build and monetize a following. They didn't create futuristic apps. They didn't reinvent the world. They just found opportunities to provide value that were right under their noses.

I hope this encourages you to start thinking in the same way.

BUY AN EXISTING BUSINESS

In December 2011, Laura Dobbins hit rock bottom.

She was getting ready to go on a business trip when her boss sent an email: "Just buy your plane tickets and keep all of your receipts and we'll reimburse you when you get back." But when she checked her account balance, she realized she didn't have enough money to even book the flight.

She remembers saying to herself, "How the hell did you get to this point? How can someone make decent money yet be so poor? You're pathetic, you can't even float a \$400 plane ticket."

That moment sent Laura and her husband Randy on a mission to change their financial lives. They cut every possible expense, set frugal budgets, attacked their debts, and within two years they had paid off all of their credit cards and had \$100,000 in the bank.

The moment they crossed six figures in savings felt like a victory. But then a new epiphany set in: "We don't want to have to work this hard forever!"

Randy was working 55-hour weeks, Laura was working full-time, and they had four kids at home.

Being debt-free was great, but now they wanted to liberate their time.

They started brainstorming passive income businesses. That way they could create side-hustle revenue to replace their paychecks, and then quit without losing income.

They eventually decided to buy a laundromat. They found one for sale less than a mile from their home.

And then they got creative.

After negotiating the seller down to a little over \$100,000 for the business, they worked out a deal where the seller carried the financing and they only paid \$50,000 up front.

(In other words, the seller played the role of a bank. He essentially “lent” them \$50,000. They put down an initial \$50,000, and paid off the \$50,000 from the seller over time.)

Then they did some renovations to make the laundromat more bright and welcoming. Then they added some amenities like free Wi-Fi. Within the first year, the business netted \$50,000. They’ve since added a second location and Randy was able to quit his job.

Once you have cash flow from the first business, you can borrow money from the bank or other sources (small business lenders) who will lend you money to build more locations.

Laura has blogged about the entire experience and is now known as the “Laundromat Lady.”

Here are some of her tips for others interested in buying an existing business:

Tip 1: Learn everything you can about the industry you’re entering.

Laura says there is actually a ton of important information to know about running a laundromat. There are terms like “turns per day” and “water bill analysis.”

But she and Randy became students of the industry and learned absolutely everything they could before they even made an offer. They wanted as much inside knowledge as possible so they could make the best decision.

How do you learn?

- Talk to other business owners in the industry.

- Read trade magazines in the industry.
- Go to conferences in the industry.
- Speak with business brokers in the industry.

That list doesn’t just work for laundromats. You can do the same due diligence for ANY industry.

Tip 2: Ask why the owner is selling.

This is the number one question Laura suggests asking.

In her case, the owner was involved in other businesses and couldn’t give the laundromat the attention it needed. That worked out great for Laura and Randy. They were able to buy a distressed business for a great price and build it up.

But if there was an outside factor — like maybe a competitor who just opened nearby and was taking away customers — that could be catastrophic.

The typical reasons an owner might be selling:

- DEATH: The owner died and their child or next of kin is trying to get rid of the business.
- DISEASE: The owner is sick and would like to retire and take care of his or her health.
- DIVORCE: The owners are getting a divorce and need to split (for cheap) a financial asset they held together.
- DEBT: Selling the business might be a way to pay down debts that the owner has incurred.

In all these cases, an owner might be willing to part with a business and choose speed over maximum financial gain.

Tip 3: Run every single number.

Right in the middle of the sale process for another laundromat — after all of the paperwork had been filled out and the money was in escrow — the seller mentioned to Randy and Laura that

a change had been made to how water utilities were paid for the shopping center in which the laundromat was located.

And just like that, the numbers on the deal changed.

Randy and Laura ran the new numbers and realized that an increase in these expenses would result in a net loss in profits for the year. Just one variable changed it from a money-making venture to a money-losing one. They got out of the deal.

Be diligent and analyze everything.

For nearly any industry, you can just Google “due diligence [industry]” to get a checklist of what you should look for.

OPEN A FRANCHISE (PART 1)

While going to college at the University of Nevada Las Vegas, Ashley Morris and his roommate Jason Smylie became obsessed with a sandwich shop called Capriotti's. They ate there three or four times every week — so often that they broke the lease on their apartment just to move closer to the restaurant.

Five years after graduating, Ashley and Jason were getting tired of their “good corporate jobs.” They decided to start looking for a franchise to open, and they immediately knew it had to be a Capriotti's.

Yes, they went out and bought into their favorite sub shop chain. I'm glad I didn't know that was an option when I was 26.

Anyway, they bought the franchise and started building out their first location. Before construction was even complete, they bought a second existing location.

The following year they opened a third.

Ashley says that their first year in business was a challenge. Not only were they growing incredibly quickly, they were learning how to actually run the business at the same time.

They were not restaurant people. Ashley had been a portfolio manager at Wells Fargo and Jason was an engineer at Bechtel. Their jobs didn't prepare them for managing inventory, hiring

staff, meeting health safety regulations, and thousands of other things involved in running a restaurant. But they rose to the challenge and were soon planning to add more locations.

The corporate owners of Capriotti's weren't as excited about Ashley and Jason's ambition, however.

By this point, there were about 20 locations in Las Vegas, and a few more in Delaware where the chain began in 1976. The owners felt the market was saturated in Las Vegas, and they didn't want to expand into new cities.

Frustrated by the limitations, Ashley came up with a bold solution. He told them, “If you won't let me open new stores, let me buy you out.” So in 2007, they put together a group of investors and bought the entire company, making Ashley the CEO. By the end of 2008, they had nearly 50 stores.

Today Capriotti's has 106 locations in 15 states. In 2014, Forbes named it one of the top 10 food franchises in America. The company continues to grow and Ashley is still as passionate as ever about sharing his favorite sandwich with the world.

In any business, you need to have a competitive advantage. What do you bring to the table that your competition can't?

Don't beat yourself if you don't know how to code or build apps. Like Ashley and Jason, sometimes you just to have passion for a product and a bold vision for the future.

Those are things your competitors can't fake.

OPEN A FRANCHISE (PART 2)

While franchising can be a great opportunity, it's usually not cheap.

If you want to open a franchise sandwich shop like those guys did, it'll cost you somewhere between \$200,000–\$500,000 to open something like a Jimmy John's or a Subway. Depending on the chain, these prices can vary widely.

If that number gives you sticker shock, Jim DelVecchio has an alternative.

After climbing the ranks at his job for 13 years, Jim found himself out of a job when the company he worked for was shut down. Rather than dive back into the corporate world, Jim decided that he wanted to strike out on his own.

He started looking around for franchise opportunities and discovered College Hunks Hauling Junk (CHHJ).

CHHJ is a moving and junk disposal company started by Nick Friedman and Omar Soliman when they were in college. Today their business has 50-plus franchisees, is one of the fastest growing franchises in the country, and earns about \$40 million a year.

One of the things Jim loved about CHHJ was that, unlike a restaurant or a gym that requires a building, a moving company only requires a truck. So the startup costs are much lower. He was able to break even in less than a year and grew quickly from there.

Jim gives some advice on how to assess a franchise opportunity:

Tip 1: Find out what HQ provides.

It's important to find out what exactly you're getting for your franchise fee.

Are you paying for the name only? Or does the company provide leads, marketing, customer support, and other help?

Jim said the corporate call center at his company has been invaluable. Customers could call the "1-800" number 24/7 and speak to operators, and then the necessary info was routed to individual franchisees.

Tip 2: Work on the business, not in the business.

You've probably heard this quote a million times, but Jim reiterates how crucial it is in this business.

You can't grow your business if you're driving a moving truck around all day. Instead, as an owner, he says, "Everything in your day needs to be about how to generate sales and profits."

Tip 3: Get creative about finding customers.

While one of the biggest benefits of franchising is leveraging the company's brand recognition, it's also important to realize that you're still running your own business. Customers won't just magically show up at your door.

Jim got creative and connected with real estate agents, apartment managers, assisted-living centers, and other places where he could get in front of lots of potential clients. It's paid off.

"STEAL" A BUSINESS

I'll explain what this means in one second, but first let me tell you about John McIntyre.

After college, John bounced around from job to job, always looking for the next interesting thing.

He was obsessed with traveling, having journeyed all over Asia. In 2012 he decided he was going to find a way to make money online so he could travel indefinitely.

He settled on copywriting and began reading every book on the subject he could get his hands on. He took successful sales letters and wrote them out by hand to get the muscle memory of writing great copy.

He completely dedicated himself to learning the skills, and within three months he had his first paying customer.

His business was all word-of-mouth. Soon he realized that many of his clients were coming to him to write their autoresponder series. (Many companies will give away some kind of free product or content in exchange for your email address, and once you're on their mailing list you automatically receive a series of promo emails to convert you to a paying customer.)

John started creating these email series to increase conversions for his clients. He decided to make that his niche, so he became "The Autoresponder Guy."

Within six months of starting copywriting, he was making

enough money to cover all of his expenses and he was able to move to Thailand.

Like the sound of John's business? Steal it.

That's right. There are around 500 million websites written in English. If 10% of those need an autoresponder series (and that's an incredibly low estimate), you're talking about 50 million potential customers.

There's no way that John can feasibly provide his service to every company on the web that needs it. And this is just one specific niche! Think about how many countless tasks online businesses need to have done.

SEO. Copywriting. Content creation. Internet marketing. Analytics.

No one person can do all of this for everyone. Find a profitable niche and meet those needs yourself.

Find success stories of people like John who have carved out niches in these areas. Put your own spin on the service, go out and find your own clients.

The internet is such an enormous place that if your business model involves working with a small handful of clients, you don't need to come up with a novel idea. Just take what is already working for others and do it for the businesses that still need those services.

HOW TO READ A P&L

A company's profit-and-loss statement (aka its P&L) is simply a document that lists all of its revenue, expenses and profit to show you how well the company is doing within a certain period — usually for a quarter, a month or a year. When looking at potentially buying a company or franchise, fully understanding their P&L is critical (repeat: critical) because it shows you exactly how they're doing and what you might be getting into.

The equation is simple: Sales - Cost = Profit

Each P&L is a little different, but usually you'll see total sales at the top of the page, followed by costs, and then finally profit. Sometimes sales and costs are broken out into several different line items, and their various subtotals. But don't let this confuse you. It really is just total sales minus total loss equals net profit.

The wording varies too. Sales may also be called revenue or income. Costs can be referred to as expenses. Profit could become "net income." The meanings are the same.

If the company generates revenue from several sources, they may be subdivided into different line items, followed by a line item adding all of these up for "Total Sales." Likewise, expenses are usually broken out into more specific items, often including:

- Salaries/wages
- Rent and utilities
- Taxes
- Advertising
- Manufacturing costs for your product (known as cost of goods sold, or COGS)
- Cost of service (COS)
- Shipping costs

Subtract expenses from revenue and you get gross profit (or gross margin). That will show you exactly what you're buying.

10 Side Hustles You Can Start From Home Today

I am a shy person. I like to sit in a room all day long and read and write and work on the businesses I'm involved in.

But, every now and then, I peek at Keith Ferrazzi's excellent book, *Never Eat Alone*, and I make a call to one of my friends.

"What are you up to?" I might ask. If they say, "Oh, I'm just working on some articles" or "I am working on an online course," I instantly start to think if I can get them to — rather than just blindly publish their material — basically sell it to me so I can then provide it to you exclusively.

I'm constantly interested in the idea of the "gig economy."

Here is the basic math, and in my next book, I will be diving more into this:

\$3.5 trillion in bailout money has been handed out in the past six years.

And yet... median income has gone down for people ages 18-35 and there are more billionaires than ever.

This is not an "ism" thing. It's not about socialism or capitalism. It's just math.

Executives got the bailout money. And people who are trying to raise families and live their lives got screwed.

I get it: Mistakes were made. I believe in my heart that was not the intent of the Federal Reserve. I really prefer to believe

they simply didn't know what they were doing.

But I know what we have to do. We have to diversify our income, we have to develop side hustle opportunities, we have to make sure that we get some of the trillions in bailout money that is still floating around.

So when I heard Susie Moore was working on a comprehensive guide to side hustles, I wanted it for this book. And she was kind enough to let me use it. Thanks Susie!



A QUICKSTART GUIDE TO SIDE HUSTLES

By Susie Moore

What's better than making money, honey?

Making money on your terms. Doing something you want to. Without a boss, a fixed schedule or a glass ceiling. But how do you do this, and make it real, with little to no financial risk? It's through the art of the side hustle.

A side hustle is a business you run in your free time that allows you the flexibility to pursue what you're most interested in. It's your 5-to-9 after your 9-to-5, so to speak. It's a chance to delve into food, travel, fashion, fitness or whatever you're passionate about whilst keeping your day job.

The downside? Well, there isn't one. Your paycheck is "safe." Your health insurance is "safe." You make extra money and use talents that are dormant in your day job, plus you hedge against an uncertain economy. Starting a business while employed also allows you to make sure that your business has legs (proof of concept), and if you're creative, you can get started with \$0 and launch risk-free. You get orders and buyers before you spend a cent and you can get started today using just a few hours a week.

Did you know that SPANX was a side hustle? Sara Blakely

was still selling fax machines full-time and only resigned from her job when Oprah named the hosiery one of her "favorite things," propelling Blakely to her position as the world's youngest self-made female billionaire in 2012. The bestselling book *50 Shades of Grey* was also a side hustle. E.L. James wrote it (on her Blackberry no less!) while working a day job.

My side hustle as a life and business coach allowed me to walk away from a job that paid me \$500K in my final year, while still being able to put some of the skills and knowledge I had accrued to good use. Over 18 months, I built up my coaching business that I knew would expand with full-time attention.

You can build something real while working full-time. And it may be exactly what you need to feel intellectually and creatively stimulated and... alive!

According to Gallup, only 13% of employees worldwide are engaged at work. That might be the most depressing statistic I've ever seen. Your work is your contribution, your legacy, and the price you pay in exchange for being here on Earth.

What you do with your precious hours matters!

If you are serious about taking charge of your financial future, unleashing your creativity, and building something that positively impacts the world, here are some ideas to help you get started.

Tip 1: Sell your smarts at scale. Create an online course!

My hairdresser was at my house recently and said to me as we sipped our tea, "You know, I've always wanted to write a book on marriage or share what I've learned about having a really good relationship." She's still happily married to her high school sweetheart.

The funny thing? I hear this quite a bit. The sad part? Most people never do it. Ever. They let their great life lessons and wisdom turn to dust over the years and hold back from sharing information that could help countless other people.

What do you know how to do better than anyone else? Create family meals on a budget? Teach Spanish to beginners? Decorate a new home? Overcome loss? Whatever it is, it's possible to create, package, and sell it as an online course.

E-learning revenues are expected to reach \$53 billion by 2018. Yes, that's \$53 BILLION. Platforms such as Udemy allow you to set up as many free and paid courses as you like, across a variety of subject matters, with no upfront fee to the instructor. Udemy works on a revenue-share basis and average instructor earnings are \$8,000 — with the top 10 instructors having earned a combined \$17 million as of 2015. The great thing about platforms like this is they provide a wealth of free resources for people of all levels of tech savviness to get their courses up and running!

So stop holding back your smarts, start teaching, and start getting paid for your knowledge!

As Derek Sivers says, "What's easy to you is amazing to others." Show us what you got!

Tip 2: Natural organizer? Assist others!

I used to be a recruitment consultant that worked with C-level executives to hire world-class executive assistants. And I can tell you this: Being a reliable assistant who can help organize others is a true skill.

The rise of "solopreneurs" has created solid demand for personal assistants to help small-business owners get organized. You can sign up to be an assistant of various kinds via HelloAlfred, Fiverr, Freelancer, and Upwork for an hourly rate that you set.

Before my sister agreed to help me as my assistant, three top-rated assistants turned me down due to being overbooked. If you are an organizer, the world needs you! Best of all, you can do it from your couch, from anywhere in the world.

Tip 3: Rock that empty nest. Rent out a room!

Do you have kids who are all grown up and moved out? Or do you just have a spare room that never gets used?

Airbnb exchanges your extra space for money. You can rent out any room in your home so long as it's clean, has a bed and a fair listing price. Why not use your spare room to make cash and even make some new friends? Airbnb does all the marketing for you and the earning options are endless.

People are making anything from a few thousand to a few hundred thousand dollars a year.

Tip 4: Make those corporate years count. Career coach!

It's no secret that experience rules when it comes to getting ahead at your job and navigating all of the politics, emotions and hard work it involves. And who better to do this than someone who has seen and done it all — hired, fired, been promoted, promoted others, and climbed the ranks themselves?

As a career coach, you can use your work experience to help others with their jobs, and you will be adored for it.

[Note from James: A friend of mine asked me to look at his resume. It was riddled with so many basic errors (spelling and grammar, factual, it was too long, the design was bad, it wasn't in chronological order, it highlighted things that were not important, etc.) that I can see a basic service to help people manage the first pivots in their career as a possible moneymaker.]

Tip 5: Caring? Care-give!

The population is aging. By 2050, it's estimated that the United States will have more than 88 million seniors, many of whom will require hands-on care and assistance.

Timing could not be better to kick off a small caregiving business of your own. Conduct some basic market research in your

local city. The numbers will probably surprise you! There is more often than not a fair amount of demand for senior care wherever you are. You can start something as simple as specializing in transportation and home visits.

Our aging population needs a caring touch. The growth (and satisfaction) potential are enormous. You can even list your services on Care.com, an online caregiving marketplace with 19 million members in 16 countries.

Tip 6: Know your city and/or speak another language? Guide others!

NOTE: You don't have to know another language to make money doing the below suggestion. My four sisters all live abroad. One in Munich, one in Rome, one in Surrey (U.K.), and one in Sabah (Malaysia). And I've been the beneficiary of their local knowledge and linguistic skills numerous times when visiting them.

Platforms such as GetYourGuide and Vayable allow you to plan unique experiences in hundreds of cities around the world — and get paid to be the tour guide! A 2013 Forbes article indicated that the average Vayable tour guide fee is \$250! You can also put your language skills to good use on specific peer-to-peer language platforms such as Verbling or Verbalplanet that allow you to set your rates, earn reviews, and show your schedule, so it can fit nicely around any obligations.

Looking at their sites, teachers are earning anywhere from \$10 to \$40 an hour for a 45-to-60-minute session.

Tip 7: Numbers person? Keep the books!

I met a lot of volunteers at NYCares who help teach people core financial literacy skills, especially surrounding the confusing tax return system. But you don't have to do this on a voluntary basis, as people are willing to pay well for your help managing their finances.

Are you good with numbers? Do you understand how to

keep a balance sheet and submit your own taxes? You'd be amazed at how many of us struggle with this and turn to expensive accounting services when we could turn to a bookkeeper instead.

This can be a great side hustle for people with any type of accounting background from their day job. You can start with just one to two clients and a set amount of hours per month. I pay my bookkeeper \$70 per hour and she is worth every penny.

Tip 8: Artsy? Sell on Etsy!

Do you know how to make edgy jewellery, take the perfect photograph, or embroider a pillow or hat?

Etsy has been called the eBay of handmade goods. It provides an online marketplace for artists, crafters, and collectors to sell their unique works of art in the form of paintings, accessories, and even vintage goods.

According to a 2013 survey of 94,000 Etsy sellers, 81% said they opened their shops as a creative outlet, while 68% cited supplemental income as a motivating factor. It satisfies often-unmet creative urges while bringing in cash. High five!

Tip 9: Dog lover? Pet sit!

People are fanatical about their dogs.

A few years ago, my husband and I put our dog in doggy daycare, where they piled all the small dogs into one pen and all the big dogs into another. Only this time there was a problem. The latch on the pen for big dogs came undone, they escaped, jumped into the small-dog pen, and proceeded to attack, throwing the small dogs around like rag dolls. Our six-pound Yorkshire terrier was thrown against the side of the cage and ended up at the vet with puncture wounds in her neck. Suffice it to say that was the last time we sent her to a doggy daycare.

We are going on vacation this month and needed a reliable sitter. So a lovely lady named Nina is taking care of our fur baby.

She gets \$400 to walk and play with our Yorkshire terrier for the few days we're out of the country.

Can you create a cozy home for a cuddly canine? The summer and holiday months throughout the year are rife with dog-sitting requests! Get yourself listed at DogVacay or Rover.

Tip 10: Love love? Marry people! (Or bury them.)

My mother-in-law in Australia has been side-hustling as a wedding officiant for over 10 years. It takes several hours per wedding (the pre-wedding meetings, some back-and-forth over email and the ceremony, which she drives to and from herself). But she is a great speaker and loves to help people celebrate their big day.

Now that the market for wedding officiants has become crowded in Sydney, she officiates funerals, too, and will soon be switching her focus to that instead of weddings. Why? A number of reasons.

She is blessed with the opportunity to help celebrate someone's life, rather than something that is 50% likely to fail (hey, I'm divorced myself). Funerals often pay more than twice as much, too. They come and go within a week. She doesn't have to deal with bridezillas, and with the aging population this market is poised for huge growth (as glib as that sounds). Both require compassion and sensitivity. Is this you?

Just do it.

Having a day job is no reason not to have a small business.

However you start, be consistent with growing your side gig. Make it a priority. Keep going.

There are a million ways to make a living and the results may surprise you. As Seth Godin says, "When exactly were we brainwashed into thinking that the best way to earn a living is to have a job?"

Begin now. The future is promised to no one. As the old saying goes, a year from now you'll wish you started today.

Opportunity Spotting: Finding the Best Business Niches in Today's Market

I love researching future trends.

I love talking to experts and envisioning where industries are going to be in the near future.

One of the most important aspects of starting a business is figuring out the market and spotting where the real opportunities are. What trends are happening out there in terms of the businesses that are being bought and sold? Are there certain sectors where there is increased activity? Is there increasing demand for certain kinds of businesses? Is there a category that is commanding higher and higher prices?

The experts on all of this are the brokers who buy and sell businesses every day. Here's what they're saying about the market for small business.

RETIREMENT COMMUNITIES

Justin Cooke, the co-founder of Empire Flippers, sells nearly \$1 million worth of online businesses each month, and is very high on the prospect of retirement communities.

"Super unsexy, I know, but the baby boomers are reaching retirement age and their children/grandchildren are exploring their options. Being able to really dig into providers across county/

state lines on a platform that fairly and accurately represents their value is important. Add to the fact that their children/grandchildren are adept at using the internet AND are willing to pay more for quality care and you've got yourself a high-margin industry."

Think about it. If you want to buy a smartphone, or a car, or a piece of furniture, or nearly anything else, you can find review blogs and YouTube channels to help you make your decision. You can watch unboxing videos, listen to reviews, read articles comparing products, and find tons of other content.

But when it comes to choosing a retirement community for your loved ones, very little of this infrastructure exists. Cooke believes there is a lot of money to be made in creating this kind of content and building affiliate relationships.

For example, you could start a blog where you feature retirement communities across your region and detail every piece of information potential customers would need.

Or take it one step further and create a Zillow-type website that would serve as a directory and booking portal for many retirement communities.

TECHNICAL AND VOCATIONAL SCHOOLS

Another industry Cooke believes is ready for massive growth is technical schools:

"With so much planned volatility in the job market and the fact that most of the manufacturing jobs are NOT coming back, investment in specific educational industries is growing. I'd also expect more grants/loans in the space, so there's a financial piece you can speak to and leverage as well. We've sold quite a few websites and online businesses in this space and I'd expect to see more. Look to companies like QuinStreet and Campus Explorer to leverage their already built-in networks and provide

lead generation or consider building out the platform and connections yourself."

There was a time when people looked down on vocational schools compared to four-year universities, but that is changing. Employers want people with concrete, applicable skills, which vocational and technical schools can help provide.

Many of the ideas about creating content businesses around retirement communities would work for vocational schools as well. As this trend develops, there will be a big opportunity to help students find the best schools where they can learn specific skills. You could create a blog, a review channel, or an interview podcast where you profile experts in niche fields, then monetize through referring students to programs and making affiliate sales.

ELEARNING

Ryan Kaufman of TrustedSiteSeller.com takes this idea one step further:

"The biggest trend I see today is the decentralization of education and knowledge transfer. We've been listing a number of sites that cater to this niche education space. As we move into more and more of an information and knowledge-based workforce, traditional education will become less important. So not only does this provide a large audience and a more personalized and effective way for people to learn, it also provides a massive opportunity for people to transform their expertise into a business in ways that were not possible only a few years ago."

At the same time, it's getting easier and easier for people like you and me to share our knowledge. Platforms like Udemy and Lynda make it easy to create a course and get it in front of potential students. Tools like Kajabi and Teachery even make it

possible to create beautiful courses and memberships with no coding knowledge.

Take an inventory of your skills. Is there something you're great at in your job? Do you have a certification that entry-level workers need to learn? Do you have a hobby where you've built expertise that you could share with others?

This could become the start of an online education business.

AVOID HYPER-NICHE BUSINESSES

When starting a business, many people fall into the trap of speculating or “prospecting.” They think that if they can predict what the next big thing is going to be, and then get there first, they can claim their piece of real estate early and cash in when the masses catch up.

Thomas Smale, founder of FEinternational.com, says that this is a dangerous strategy because it's hard to run a sustainable business around an idea before its time has come.

Plus, if you guess wrong, its time may never arrive.

Instead, Smale recommends creating an umbrella for yourself that will allow you to explore trends without being married to them. He uses the example of virtual reality. VR will probably be a part of our daily life at some point, but we're not there yet. And until that day arrives it will be hard for the average person to run a sustainable VR business.

For now, maybe start a tech blog, where you can talk about VR while also talking about iPhones and smart watches — things that will be relevant to readers today AND tomorrow.

Another idea could be starting a business in a parallel industry. For example, you could start a business repairing smartphones, or replacing cracked screens, or create mobile apps. Then, if VR becomes more mainstream, you already have the infrastructure in place to start repairing VR devices or writing VR apps and programs.

THE SEXY TRAP

Mark Daoust, founder of Quiet Light Brokerage, says that, while 3D printing and artificial intelligence represent the future, they're both betting a lot of attention from entrepreneurs right now. This means the competition in these niches is already fierce.

Meanwhile, as everyone stampedes to these “sexy” industries, they're passing right by boring yet profitable opportunities.

For example, Daoust recently helped sell a company that sells the Koala baby changing stations you see bolted to bathroom walls all across the country. It's not high-tech, it doesn't capture the imagination, but the demand is enormous.

Mark says this business is extremely profitable and dead simple to run.

Or consider “upcycling.” I know a woman who buys inexpensive furniture on Craigslist and repaints it in Disney colors. For example, when Frozen came out she repainted dressers, beds, and nightstands in blue and white and listed them on OfferUp as children's furniture. In many cases she was able to sell items for 10x what she paid for it.

Her hustle isn't a sexy tech startup, she can't sell the business for millions, but she makes enough money that she was able to quit her job.

“OUTDATED” INDUSTRIES

Truth is, 80% of online businesses are five years behind the technological curve.

This offers a huge opportunity for new companies. What strategies are available today to help fuel business growth? What technological breakthroughs are out there that could support a business? What marketing techniques are driving sales?

Find out what's working and take this knowledge to the industries that have yet to catch up. I call this the “backfill technique.” It's like a backdoor play, but for small business.

Learn from the activity on the cutting edge, then help update other industries.

The Billion-Dollar Entrepreneur

I'm sick of you, Silicon Valley. I think you really suck.

For one thing, you perpetuate the following myth:

1. Come up with a stupid idea that makes no money but has “lots” of users, whatever that means. (For example, Tesla sells just 14,000 cars and is worth billions. What the heck is that all about?)
2. Raise money from “professionals.” So few professional investors have ever started a business in their lives and, I can tell you from my own personal experience, they are the worst people to have on a board of directors. They offer no value and just get in the way of really helping CEOs.
3. “Pivot” — change your business model constantly — until you find a business model that Google (or Facebook or Apple, etc.) wants to buy.
4. Sell the business.

All that is really happening is that individual investors are investing in pension funds with their retirement money.

The pension funds are then investing in venture capital funds, which invest in these Silicon Valley companies.

The Silicon Valley companies swish around the money, pivoting every month, until Google makes the entrepreneurs and the venture capitalists rich. The pension funds may or may not make money.

So what just happened in that process?

The individual investor had his money taken from his or her salary and put in a pension fund — until it was ultimately transferred to a few individual venture capitalists and “entrepreneurs” who ended up creating nothing of value and certainly no real profits or innovation.

This is why my friend Peter Thiel has often complained about the lack of innovation in Silicon Valley.

I have my own approach to angel investing, but I am disgusted for now with the simple Silicon Valley approach. I view it as a reallocation of capital from the small investor who tries to care for his family, into the hands of people who are already rich and partying it up in the San Francisco club scene.

Shame!

Being an entrepreneur doesn't just mean reallocating money so a few benefit and the rest are left at home wondering what happened to their hard-earned cash.

Real entrepreneurship solves real-world problems, creates jobs, creates innovation that makes life easier, and creates profits.

An idea is not good unless it's sustainable. Profitability leads to sustainability.

In this chapter, I'll focus on a few people in traditional “brick-and-mortar” businesses. There are thousands of profitable opportunities offline.

People will always need their hair cut. They'll always need to have someone come to their house and build them a deck. They'll always need services that they can't get on the internet.

This doesn't mean these businesses don't use the internet. They do. The internet is an INCREDIBLY valuable productivity

tool and adds tremendous value to more traditional business models.

Every business should use mobile and the internet to make their business more efficient. But it's a *tool* and not the end to creating real value.

Let's look at a few.

MIKE MALIK: STATE STREET BARBERS

Three years ago, Mike Malik was running a cargo airline in Hawaii. From the outside it looked like an amazing job. But Mike was constantly being moved all over the world and a huge percentage of his time was spent managing corporate politics. He knew it was time for a change.

He decided that he wanted to acquire a business. He wanted something that would be a stable source of income, something that was low tech, and something that he wouldn't have to manage every day so that he could step away to pursue other passion projects.

He found a chain of four barbershops for sale in Chicago. After speaking with the owners and analyzing the business, he saw some enormous opportunities — simple things that the current owners weren't doing. He was confident that, with a few changes, he could revitalize the business and create the cash flow he was looking for, so he bought the company.

It wasn't easy. It took 18 months before his investment paid off, and there were many bumps along the way. But the business finally became the machine he dreamed it could be, thanks to the systems he's put in place. He is passionate about renewable energy and plans on using his cash flow to pursue his ideas in that industry.

Mike says that there is no “secret sauce” behind his success. Anyone sitting in a cubicle can buy a business and revitalize it like he has. Mostly it just comes down to spotting opportunities

and committing to being better than the competition. Here are his tips for getting started:

Tip 1: Get creative with financing.

One of the first questions I had for Mike was: “Where did you get the money to buy the business?”

Mike said that he didn’t want to risk wiping out all of his savings, and he wanted a high return on his investment. So he only put up about 30% of the asking price. This came from a combination of a loan he took out against his portfolio and investments from friends and family. The rest came from seller financing.

That means the seller is interested enough in selling that he (rather than a bank) will lend the money to the buyer (showing the seller has a lot of confidence in the buyer vision). And maybe the terms can even be more favorable to the seller if the buyer is able to grow the business well.

Depending on what the owner wants to accomplish with the sale, there can be creative ways to work out the deal. Even if you can’t afford the full asking price upfront, oftentimes you can work something out where both parties get what they want.

This means:

- Having a vision of how you can improve the business.
- Having ideas for how the seller can benefit even more if you are the buyer, versus someone else.
- Being creative with deal structure (e.g. borrow \$X but return even more than the interest rate if the business does well — so the seller benefits incredibly well by just sitting at home).
- Being effective at communicating your vision.

How do you build the above skillset? Usually through experience, but it comes from really thinking about others instead of just your own needs.

It’s about focusing on value and how things can be improved.

A simple example is a restaurant. You walk in and see that it’s dirty. There are old phonebooks lying around on the counter. The staff is slow. The walls need to be painted. The bathroom needs to be cleaned more often.

Right off the bat, you know you can drive value by fixing these few things. You fix those, you make more money. It’s simple.

So, in this scenario, you know right away that the owner (who might be too old, or ill, or has lost interest, or has gotten divorced, or whatever) has lost the energy to deal with these things. But you have the energy. You can do them. And he can benefit even more from you running and owning the business.

You just have to explain that to him in order to get to “seller financing,” while you put up minimal cash. Now you own a business.

Tip 2: Think about your current skills.

After working in the airline industry, Mike knew two things extremely well: frequent flyer programs and reservation systems.

He knew that with his expertise in these areas, he could improve the scheduling at the barbershops and implement loyalty programs to increase returning customers. Those two changes were responsible for the majority of his business’ growth.

Mike implemented new booking software that dramatically improved the customer experience. Now clients can make appointments online. And when they arrive at the barbershop he makes sure they never have to wait more than five minutes.

And there is another benefit: More control over scheduling allows Mike to batch his guests. Before the system was implemented, clients would be spread throughout the week and barbers had a lot of downtime between appointments. Now staffing is much more efficient and they’ve cut down on wasted labor costs.

Many barbershops offer discounts and coupons to attract

new customers, which is great to get people in the door — but it cannibalizes the business and trains customers to be price-sensitive. Mike agrees with my belief that the easiest way to get more business is by going to your current customers. By focusing on increasing return visits with his loyalty program, he was able to build up his daily and weekly traffic.

The key here is “take lessons from your other businesses.”

Life doesn’t start and end at 22 years old. You are going to be in many businesses and industries during your life.

Some businesses you will be an employee of. Some you will be an executive of. Some you will be an owner of. All are valuable.

I was a low-level employee at HBO for many years. But HBO is the best business in the media industry. It was then and still is now. I learned about management, about how to treat talent, how to treat customers, how to motivate employees, how to work in a creative business, how to do marketing, and so much more.

Learn from everything you do. It will all be applicable in your next business.

As I mentioned before, my first business I started after HBO was a company that made websites for entertainment companies.

How do you think I learned all the nuances of dealing with the top-level executives and talent of an entertainment company? By being a low-level “junior programmer analyst” at HBO.

Tip 3: Focus on one change at a time.

Mike had a lot of ideas for improving the business, but he realized that he couldn’t change everything at once. To build a booming business, he would have to focus on one thing, master it, then move on to the next.

One of his first goals was to make sure each customer had to wait no more than five minutes. He decided to focus on this one metric because he knew that in order to achieve it, every aspect of the business would have to be on point.

His technology would have to be top-notch. He would have to hire great staff and provide excellent training. Management would have to be effective. But rather than tracking all of the individual components, focusing on the one core metric would make it easier to communicate performance and progress to the staff.

In my first business, a big change occurred when I did one simple thing, which seems so obvious in retrospect. I created a mini internal website at my company to track every phone call. After a call with a client, an employee would post on the website exactly what was discussed, what goals, what mistakes, what problems, what timelines, who they spoke to, when the call happened, etc.

It was the CYA (cover your ass) internal website. And it worked. It’s so obvious in retrospect, but it helped me hold onto clients that were on the fence.

SANDY HIGGINS: THE CRACKERJACK SHACK

Nine years ago, Sandy Higgins left her job as a high school English teacher to be a stay-at-home mom. But, as an entrepreneur at heart, she couldn’t stand not having a project and a goal to work toward.

She had been a seamstress, so she began making high-end handmade clothing for girls. Each piece was one of a kind. Word of mouth spread, and her work developed a following.

She quickly realized that she was the bottleneck in the business. She couldn’t teach other people how to replicate her unique style, so she was stuck at a point where her business couldn’t grow beyond her.

One day at an alterations trade show, someone asked her, “Have you thought about logo wear?” A light bulb went off and she realized that this was something she could teach other people how to do. This was a business she could scale. She went

back to her hotel room that night and started writing down every business she could think of that might want embroidered logos.

What she did next was genius.

When she returned home, she went to the Dollar Store and bought a huge pile of hand towels. She embroidered the logos of local businesses on each one, then went door to door and delivered the custom hand towels to each business owner.

Her sales pitch was simple: “If you like what you see, I can embroider your logo on countless other things.” For the first six months of her new business, all of her customers came from this first batch of door-to-door sales.

Fast-forward to today, and now Sandy’s business, Cracker-Jack Shack, has expanded the services it offers, expanded its staff, and just surpassed \$1 million in annual sales.

Here are her tips for how you can replicate her success in your area.

Tip 1: Manage your business like your personal finances.

Sandy never took out loans when she was starting her business. Every time she needed to make a large purchase — a new piece of equipment, a new hire, a new building — she figured out how many sales she would need to save enough money. Then she hit the streets. In many cases, she would literally go door to door to get new customers.

She says she often asks herself, “How would my grandma run the business?” In that generation, going into massive debt was a sin. If you needed something, you saved for it, and that’s exactly how she has run her business.

Tip 2: Be in it for the long haul.

Sandy admits that she could have grown the business faster if she had taken outside investments, but she says she doesn’t look at her business as a stepping stone to something else. She’s not interested in cashing out and moving on; she wants to build the

best possible business that she can.

Her main goal is to create a business that enriches the lives of everyone who is a part of it.

“When you care about people above everything else and you build your business accordingly, you love going to work because you get to spend the day with your friends,” she says. Whether it’s with her employees, her customers, or even people that live in her town, she always tries to make people feel like the most important person in the room. Putting people first is great for business.

Tip 3: Niche, competition, execute.

Sandy has a simple formula for entrepreneurial success. First, you find your niche.

Don’t try to be all things to all people, but get specific and clear about what problems you solve and for whom. Then figure out who the competition is and what you can do differently to set yourself apart. What opportunities are your competitors not taking advantage of? Then you execute.

Valuing people, building relationships, being authentic, and providing excellent customer service are all ways that she executes and sets herself apart from the competition. Rather than differentiating your business by becoming more high tech, how can you become more old school? How can you provide more personality, more personal connection, more customer service? How can you be more in touch and more human?

Hardcore Pawn: Finding Success in One of the Oldest Businesses in the World

Seth Gold is a fourth-generation pawnbroker and runs American Jewelry and Loan in Detroit alongside his father, Les, and sister, Ashley. He was named Pawnbroker of the Year in 2013.

Their pawnshop is the subject of the reality show “Hardcore Pawn” on truTV and has nearly three million viewers.

I was excited to speak with Seth because I wanted to learn about the pawnshop business, which is a huge sector of the economy.

People think of banks and insurance companies as critical for the economy.

What they don’t realize is that a large sector of the economy can’t get insurance and can’t get regular bank accounts. So they do what I call “subprime banking.” They get loans, not from banks, but instead from pawnshops and check-cashing outlets. They get furniture and electronics from rental stores.

This entire sector of the economy is incredibly valuable and often ignored.

There are a few public pawnshop companies, and I always think they're great investments because (as you'll see from our conversation below) it's really hard to lose money in this business.



James Altucher: Well, I have to say, I've binge-watched your show, and it's fascinating. There's so much stuff that happens in a pawn store.

Seth Gold: Yeah, we deal with a lot of people every day. All walks of life come through the shop. And, ultimately, we're there to provide a service and survive as a business. And in today's day and age, it's not often easy to do either of those. So we found a niche and it's proven to be beneficial for everyone.

JA: Well, let's describe what that niche is. So the whole area of pawnshop — it's almost like banking for people who don't have bank accounts.

SG: You nailed it right on the head. So for you, if you need \$20, all you need to do is go to the ATM, put in your pin, and you'll retrieve \$20. My customers often don't have that luxury, so they use their assets as collateral that I loan against. And each state is different as far as the amount of time you have to come back to pick your merchandise. In Michigan, it's 90 days for the customer to come back, at a small interest rate. And people take advantage of that and get their merchandise back often.

JA: I think people view a pawnshop as like, “Oh, I need \$20, so here's my diamond ring and I'm going sell it for \$20.” But it's not a sale at all. You loan the money.

SG: Exactly. We loan against your property. So if someone comes in, and say they have a TV and they need \$100. I give them \$100. They have three months to come get it back. If they don't come back in three months, the merchandise becomes mine and I have the right to resell it. Most people think that people leave their stuff with us. But actually, about 80% to 90% of all merchandise that is loaned upon gets reclaimed.

JA: Really? And what's usually the percent loan?

SG: So it's 3% a month, but my term is only three months, so it's short-term. It's 36% a year, but we don't look at it like that. It's only 3% a month for the customer.

JA: So just to kind of summarize to everybody: Imagine if you're a bank and you're charging essentially triple the rate of an average loan — and you're actually holding the collateral.

SG: But it's non-recourse, so if you don't come back, it's not going against your credit score.

JA: Okay. A lot of these people don't even need a credit score because they're not going to go out and like, buy a house after they just gave you their \$100 TV.

SG: You'd be surprised at the people that come into the shop to get loans with me. We see everybody that doesn't have \$5 to their name, to athletes, to people that just need a bridge business loan.

People are resourceful. People often think that pawnshops buy low, sell high. Well, if 80% to 90% of my customers are coming back for their stuff, if I don't loan you money, I'm not going to get that interest back. So it kind of flips the whole notion on its head.

JA: Right. I did not think it was that high. But also, you have to have a really good sense of what everything is worth. So, for instance, obviously with jewelry, I'm sure you're an expert. But you have to really know every type of collectible and what you could potentially resell it for in those few cases where people don't come back to pick up their merchandise.

SG: Yeah, of course. So you have to be on top of the trends — see what the gold market is doing, what the electronic market is

doing — and you price your loan base accordingly.

JA: Like if I bring in a TV that's five years old, how is that even worth anything at this point? Like are there buyers for that?

SG: So at five years old, I probably wouldn't take it. That's our cut-off. However, the digital divide is great. So if I had a VCR in stock right now, that's a hot commodity. People still have a bunch of VCR tapes, and they still are looking for that VCR because they're so hard to find. So there's always a group of people that are looking for old technology. Obviously, I can't loan tremendous amounts on it, but I will always be able to sell it.

JA: What about something like a fur coat, though? Let's say someone brings in a fur coat that cost them \$1,000. Now they want \$800 for it. What's your usual loan-to-value on something like that?

SG: If something's worth about \$1,000, if I loan \$900 against it, I practically just bought it. For a 10% hit, the customer's probably not going to come back for their merchandise. If I loan \$200 on it, the customer's probably going to be upset because they're going to feel that we don't give them enough value. So our sweet spot's probably between 40 to 60% of value. It gives the customer an incentive to come back and get their stuff. If they don't come back and get their stuff, I can still mark it down and collect my interest that the customer would have paid.

JA: And how often do you use something like eBay to resell stuff?

SG: I utilize every opportunity I possibly can to move merchandise. So whether it's eBay, Craigslist, Amazon — you name it — and I try and outfit the resale market value.

JA: So let's take that fur coat as an example again. So they come in and they say, "I bought this for a \$1,000." You never say, "Okay, I'll pay \$900 or I'll pay \$400 for it." You say, "What will you sell that to me for?" Then they're going to say \$900. Then you're going to say, "I can't do that. What will you really take for this?" I notice you never throw out a price until at least the third or fourth time they mention a number. And so they'll say, "Okay, I could maybe sell this for \$600." And then you say, "I'll pay \$75 for this." And then starting from there, the negotiation occurs. You'll meet somewhere in the middle.

SG: So, ultimately for my customer, it's up to how much they want to move their merchandise for. So you often hear me ask the customer, "Do you want to sell it or do you want to get a loan on it?" And depending on their answers, I go into two different negotiating modes.

So you want to get a loan on it? Okay. How much do you need, because you're going to have to pay me back, right? So I'm not going to give you the first price because you might have a water bill, you might have an electric bill that you need to repay. So if you need \$500 for this fur coat that cost \$1,000, I'll probably give it to you. But if you say \$900, well, unfortunately, I understand you might have a water bill that's \$900, but that's not how much I can give you.

At that point, I find out where their sense is, whether they want to get the loan paid back and how much their stuff is worth. Because you have to understand when a customer comes in the store, they're looking for a certain amount of money to pay off something. And I'm looking at the piece of merchandise they're bringing me. They have sentimental attachment to it and I have retail sales value to it, which are two completely different things.

So they're bringing the merchandise to me and if they don't like the price that I give them, well, there's a lot of other pawnshops that people can go to. So it's all a negotiating tactic. Then if you're not happy with the price, well, the door is open and closed; you can feel free to take your stuff elsewhere. I'd rather you not, because I'd process a loan, but nothing's holding you to my shop.

JA: What kinds of tells does somebody usually have where you can say, "Okay, I can really only offer you \$75 or \$150 or \$200"?

SG: You know, it's one of those things that you have to know the item that's being brought in. You have to know the resale value of it. You have to know what your bottom dollar is going to be and what your top dollar is going to be in any negotiation. And the third key to any negotiation is know when to walk away.

I usually don't give out the first price because I can't tell you how much my customers need. But at the end, I know that I still have to pay a light bill, I still need to pay my employees, and I need to be able to make a profit on the merchandise.

So you look for how much they are willing to drop and then you play it from there. You see their demeanor when they drop that price, and you have your good read on a person. You have to be able to see where your customer is going and knowing their bottom dollar without them actually saying it.

JA: So let's say someone borrows against their diamond ring or fur coat, and then 90 days go by. You never hear from them again, and now you own it. How much of that stuff never sells?

SG: Usually, as my dad would say, "If someone bought it once,

they'll buy it again." Something might have a little bit longer shelf life. And oftentimes with electronics, things go bad in them. So every once in a while, we need to just take a dumpster and throw things out. But, usually, everything we take in we're able to resell again.

JA: That's amazing. And what's the average time it takes that you hold something? I mean, obviously, you try to sell it the next day once you own it, but on average how long does it take to sell something?

SG: That's not the case. So we have state law of 90 days, but I'm not sitting back there on day 91 pulling anything. I want that customer to be able to get their stuff back and then re-pawn it. Because once someone doesn't come back for their stuff, well, guess what, they're not bringing it back to me for a loan again. So you have to really want to lose your merchandise for us to put it on the showroom floor.

I'm not pulling until day 180. I give people an ample amount of time. Once it hits the showroom floor, I usually have a customer for it. So it's really not this business where I'm sitting back there on day 91 looking for merchandise.

JA: So what's a typical repeat customer, like how many times have they come in and borrowed from you?

SG: Oh, 50 times a year. That's with the same piece.

JA: So do you do payday loans as well?

SG: No. No payday loans. No check-cashing. Just straight pawn.

JA: And what's the kind of regulation aspects? Like do you have a cap on your interest rates? Or are you nervous about regulators?

SG: Yeah, of course. I mean with the CFPB (Consumer Financial

Protection Bureau) coming down on payday loans, it's something that we're keeping an eye on. However, in Michigan, we're regulated by the state. We're at 3% a month, which is the lowest in the country. So we're satisfied with where we're at.

JA: But it's such a great business because it's really hard for you to lose money. Like what's an example where you've lost money?

SG: When I've paid for the name brand. Meaning someone came in with a designer pair of earrings from a major retailer, and I looked at the box and I overpaid. Retail jewelry tends to have a high markup, and when you break it down for what it actually is, it's not worth very much.

That's a lesson I learned at the beginning of my career at the pawnshop: You can't pay for the name, period — ever. And it took me a couple burns to realize that, because the resale value on that stuff is not quite where you'd expect it to be.

JA: So, obviously, in your business and in the area and everything — you're kind of in a violent part of Detroit. What are the most violent things that have happened?

SG: You know, it hasn't been too bad. Most of my transactions are seamless. People come in knowing the amount that they want — and I'm able to help them and they're out the door. Well, on the off chance that I can't come up with a price that the customer wants, obviously that customer gets emotional, because they have nowhere else to go. That's why they're at the pawnshop.

I take that into account, but when there's no business being transacted, it's time for them to go. It's a gated property, fully secure. I have cameras everywhere. Yeah, no real big issues.

Before the success of our show and shows like ours, a lot of people wouldn't tell people that they go to the pawnshop.

JA: There was a stigma to it.

SG: Yeah, exactly. But now people are like, "Hey, I bought a lawnmower at a pawnshop and I saved some money. Isn't that cool?" You know? So I mean it's cool to go to the pawnshop now.

JA: Do you see further expansions? Or do you ever see selling the business? Like there are a couple of public companies that are in the pawnshop business that kind of buy companies like yours.

SG: Yeah, you know, I've never thought about selling. Obviously, we have a pretty strong, significant brand across the country. So expansion under the umbrella of American Jewelry and Loan is definitely in the future.

JA: You could go public and buy smaller companies.

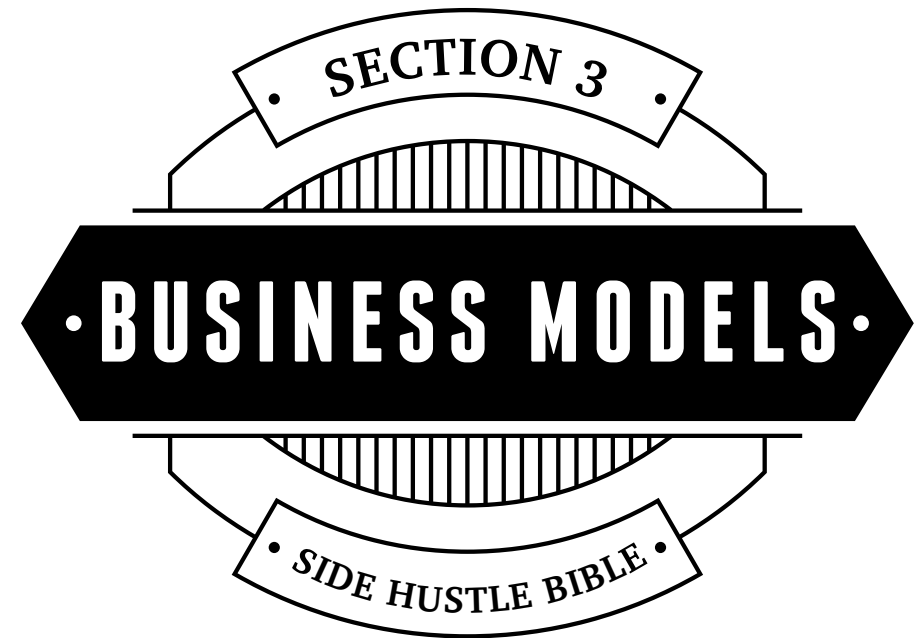
SG: Yeah. But it's just more overhead, too. If there's an opportunity out there for me to do that, and also franchising—there's a bunch of different things that I'm looking at. But when it comes down to it, we're a mom-and-pop shop. We like doing what we're doing. And getting too big, oftentimes you can't serve the customers in their best interests. So we have to really identify the best opportunities for us as a business and as a family.

JA: It seems like a good business to get into is lending to pawnshops — because it seems like your main barrier to growing the business might be how much cash you have on hand to buy or lend on merchandise. Now, you can get a loan from the bank, but the bank is going to be weird about lending to a pawnshop because it's such a different type of a loan for them. So it seems like being in the pawnshop lending business might be a decent business opportunity.

SG: There is no question about that. That's something I'm exploring right now as well, just because banks have really gotten stringent on the requirements out there.

JA: All right. Well Seth, thanks so much and congratulations on the success of this great show.

SG: Thank you.



How to Make \$2,000 In a Weekend

For five years, every Thursday at 3:30 p.m. EST I held a Q&A session on Twitter. For 90 minutes, I answered every question people asked.

I started doing this in March 2010 when I was still writing mostly about stocks, but I noticed something very interesting.

People didn't care as much about stocks as I thought. They thought they did because many people (myself often included) panic when they lose money and are happy when they make money.

Dopamine (the same neurochemical triggered by cocaine) is triggered when we make a stock trade that makes us money. Not to mention we then get to pay our bills and treat our partners, and all the other good things that come with money.

But what was happening was that people really had many other issues. How to get over a bad breakup. How to deal with the shame of failure. How to deal with the panic of public speaking, or not going to college, or learning something new.

I would answer in 140 characters and then quickly move onto the next question.

But over time, I'd see some questions asked again and again and again. So I'd spend a lot of time researching them.

Which is part of the reason I started my podcast. If I have a

hard time finding the answer to a question in books, I'll just call the world's leading authority and ask them to come on my podcast and specifically ask them the question.

Then I write about it.

Then I teach it.

I've found this to be another extremely effective learning technique: Learn, write, teach, repeat.

And not only that, it's been very helpful to the thousands of people who have shown up to these Q&As. Not because I know all the answers, but because now I know through years of research and study of these Q&As what questions are important to people. And I've practiced hard to figure out the fastest way to learn the answers.

Questions about learning are always the most important in these Q&A sessions. People want to find their passion. What they really want to find is the answer to the question "How do I find what I am good at?"

Well, you can't. You get good by using the best learning techniques we know of.

But, of course, money is also important. And not just stocks. Stocks can go up or down. And if you pick one good stock today, another one might go down tomorrow.

But many, many people have asked me this exact same question, even the same dollar number:

"How can I make \$2,000 in a weekend?"

I had some ideas for answers. But I decided to take it to the next level. I called the one person in the world most qualified to answer.

Freelancer.com is a \$500-million company trading on the Australian exchange that aggregates millions of freelance jobs every month.

The founder and CEO, Matt Barrie, is a friend of mine.

I called Matt and asked him the exact question but worded

slightly differently: What are jobs that are constantly posted on Freelancer.com where I can easily earn \$2,000 in a weekend?

I was afraid he would ignore me. Freelancer.com is constantly buying new companies.

Matt is constantly traveling. But the entire reason he started Freelancer.com was to help people get out of their cubicle jobs and find more opportunities to make an income.

So he wrote back to me instantly. And, full disclosure, I have ZERO financial interest in the company or in promoting it.

In fact, I am grateful to Matt, since in 2007 I used Freelancer.com to build Stockpickr.com (initial cost: \$2,000), which I sold eight months later to TheStreet.com for \$10 million.

I knew that each job category Matt would send me would require learning some skills.

Otherwise it would be too easy (and, hence, these jobs would not earn you \$2,000 in a weekend), but I wanted the skills to be easy to learn. For instance, using Lynda.com or CodeAcademy.com, you can be in the top 1% of WordPress developers within just a few months of study.

Here is what Matt wrote back to me:



Hi James,

So glad you thought about us.

Every single project is tailor-made based on the needs and requirements of each employer, and therefore depends on the complexity, timing and costs of the job.

Nevertheless, please find a list of projects where freelancers can easily make \$2,000 or more in just a couple of days:

1. Video Animation: Video projects for Kickstarter/Indiegogo or animation explainer videos for a new product/service

launch are an easy and quick job to do online.

2. Programming: Specifically for e-commerce stores (Shopify, Magento). We have seen a huge increase in e-commerce, as well as social media commerce.

3. Website Testing or Web Scraping: Last-minute changes on the site before the big launch. Companies want to make sure the site would work as intended. So they simply hire someone to test it throughout.

4. Website Development and Design: WordPress fits in this category. It can be templated, but it's quick and efficient and it looks good.

5. Children's Book Illustration: Incredibly popular job on the site that pays quite well. Self-publishing is a big thing these days and illustrators on the site can provide for a huge range of different design styles that fit any requirements.

6. Writing: We have seen numerous requests from people needing help with their business plans or book editing hiring experts in the field on Freelancer.com. It's especially popular among non-native speakers when they need something done in English or another language and they want to do it right.

7. 3D Rendering and Architecture Design: Huge skill on the site, studios are willing to pay a lot of money to get last-minute support and help with their projects or contests.

8. Software Architecture

9. App development: Full-time staff or freelance temp workers may not always be available to help out, especially during the weekends. Our developers on the site can easily fix any issue or help to finalise the project when deadlines are tough.

10. Photoshop or any other design work: Companies would pay substantial money to have their PowerPoint, Infographics, Brochures or Keynote presentations designed by a

professional designer on the site.

The best thing about our service is that people can work in different time zones, so employers can get three days' work done in just about 24 hours. E.g. someone in Europe working for an Australian while they're sleeping.

Freelancers can also take on several smaller projects from different employers at the same time so they can earn a big chunk of money by the time the weekend is over. Not just individuals, but companies and agencies employing several people work through the site, running several projects simultaneously so they can maximise the earnings.

Matt



Some of these skills (like software architecture) might take more than a few months to learn — but not that much more.

And skills like 3D rendering are surprisingly easy to learn, but in great demand. In fact, most of the job categories described above require skills that you either have right now (web scraping or writing) or can be learned with some study (on courses given all over the web and YouTube) and practice (illustration, 3D rendering, Photoshop, app development, etc).

Many people think, "If I just pick the right stock, it can go up and I will make a lot of money."

This may or may not be true.

But with a small amount of money, the best returns can happen if you invest in YOURSELF, learn skills for the above jobs, and then start taking on more and more freelance side-hustle work — until you can quit your job, or work from anywhere.

Newsletters: The Entrepreneurship Model That Works Every Time

The day after I left my job to become a full-time entrepreneur, I was so scared I cried. I got into work and first thing that morning, one of my largest clients cancelled all of their business with us.

We had already been in business for 18 months, but I had been too risk-averse to leave my full-time job. I finally felt comfortable enough to quit, and then this happened.

“Well,” said one of my employees, “there goes that!”

I left to get a pizza. At the pizza place I couldn’t order. I started to cry. “Are you crying?” the waitress asked. I said no. I was ashamed and embarrassed and wondering what the heck I was going to do with my life. “No!”

I’ve recently heard about, read about, and then talked to the person who wrote the book about a model of entrepreneurship that I think caters to just about everyone. It helps you figure out what ideas are good, what ideas are bad, and how you can take advantage of the gaps that exist in the world. It’s a roadmap for entrepreneurship.

The book is *Peers Inc.* and the writer of the book is Robin Chase, the founder of Zipcar. I called her up and spoke to her more about her model of modern entrepreneurship.

After thinking about her model for a while, I realized that it

applies to a much greater universe than she originally intended. The extension of her model applies to the topic I'm going to discuss in this section: how to start a newsletter business and get paid for your knowledge.

Based on Robin's model, there are three levels of a modern business.

LEVEL 1: EXCESS CAPACITY

I don't quite know how to describe this without examples, so here's an example: Airbnb.

Let's say you have a house that is free because you are on vacation for two weeks. Now you are paying for your house but nobody is staying there. That means you have an excess capacity of rooms that people can live in. You are paying for that excess capacity but getting nothing in return.

Uber is another example, for people with cars. A car is usually driven with three empty seats. This is excess capacity. People are willing to pay for those extra seats to get transported around.

More on excess capacity and how it applies to you in a second.

LEVEL 2: BUYERS OF EXCESS CAPACITY

I have actually been homeless. I don't admit this easily, but there was a time when I didn't have one address that I consider home.

I stayed from Airbnb to Airbnb. I liked to stay in other people's houses. I couldn't help it. And all of my belongings basically fit into one bag. So I didn't need furniture or plates or sheets or towels or anything.

I was willing to buy the extra capacity left over by people who, for whatever reason, were not in the house or apartment that I paid to live in. Once they got back, I moved.

Often it's cheaper than a hotel or even rent.

Robin Chase's company had an excess capacity of cars. If you became a member of Zipcar, you can use your membership to

locate the nearest available car through your phone, unlock the car, and drive it as long as you need it.

So the buyers don't even need to own a car. They can just use a Zipcar (or Car2Go, or any of the similar companies that have sprung up) that's close by whenever they need a car.

When I lived for a few months in Florida recently, we only used Zippers or Car2go to get around — and it was perfect.

LEVEL 3: A PLATFORM

Normally, if a car slows down by me and the driver offers me a ride, I would not get in. This is common sense.

It's also common sense to not let strangers stay in your house. Even if they are willing to pay you. What if they destroyed your house? Or took something from you and you couldn't track them down?

This is what the PLATFORM is for.

Uber built a platform that handles all transactions, handles discovery (where is the nearest driver?), mediates any problems, and allows you to review both passengers and drivers.

Platforms build up trust in various ways. You can trust the transaction will go through in both directions. You can somewhat trust the place where you are staying or the person staying there (because of the reviews). And you can trust that, if there is a problem, there is a mediation facility — and even, in some cases, insurance — to solve the problem.

I can think of several hundred businesses — other than just Airbnb and Uber — that are currently around and flourishing that fit this model.

Again...

Level 1: Excess capacity

Level 2: Buyers

Level 3: Platform

And suddenly, using this idea, you can start brainstorming other ideas. For instance, I'm staying in an Airbnb right now and I have been here a few days.

I would like someone to clean it up. I'm sure this service exists out there somewhere but I haven't seen it yet. I'd like to open my phone, find the closest person who has the excess capacity (time, skills, etc.) to clean my house. Look at the reviews. Look at the pricing. Put in my address and click "Yes," and then have them here in 15 minutes to clean my apartment.

I am a buyer. There should be a house-cleaning platform, and I'm sure many people have the skills and excess time to spend an hour cleaning my apartment for the right price.

But now, how can you use your own excess capacity?

You might think: I don't have an extra house, or an extra car, or extra anything.

But you're wrong.

This is where the newsletter business comes in. Why (and how) you should start one. And how to figure out where your excess capacity is.

Think about a newsletter. A typical newsletter might be a stock recommendation newsletter.

Level 1: Someone has an excess capacity of unique knowledge about stocks.

Level 2: Others who don't have the time to do the research and are interested in diversifying their stock portfolios might be buyers of the excess capacity above.

Level 3: A quality newsletter platform A) handles all the transactions, B) creates an area on the internet where people can read issues and other content, C) mediates any problems in a safe environment, and D) allows for easy marketing of the product in a way that people are familiar with.

Often newsletters are lumped into the category of what's called "information products." In other words, someone has an excess capacity about something of interest to buyers and uses a platform to sell that information.

A book is a simple example, but other examples are webinars, online education courses, and, of course, newsletters.

Webinars, courses, and books are usually one-time events. You have enough information to share and a commitment to make a one-time product. Someone buys it, and then the transaction is finished.

But life often doesn't work that way. The world changes frequently, and there is always new information that an expert, or team of experts, can gather and send out.

In that way, a newsletter presents an opportunity for recurring revenue because it never gets old, never goes out of date.

In the past few DAYS I have spoken to several people who make six or seven figures a year from the following products:

- A newsletter about how to travel cheap.
- A newsletter and course about how to build up a professional network.
- A series of webinars about how to better use LinkedIn
- A stock recommendation newsletter.
- And even a newsletter about how to deal with adultery.

Do you need to be an expert in any of these areas? Not really. One person I know sells a newsletter to the pharmaceutical industry. His clients include Pfizer and other big pharma companies that have huge budgets for the information he provides. He makes over seven figures a year. When I met him, he lived in Atlanta. Then he moved to California. Now he lives in Hong Kong.

What is his product? He is constantly scouring the FDA website to see what the latest trial results are for thousands of different drugs. He compiles this knowledge into a weekly

(and sometimes daily) summary that he sells to each big pharma company for hundreds of thousands of dollars a year.

Companies like Pfizer know this is critical information because it determines where they stand in the constantly changing competitive landscape. What is the FDA approving? What small drug companies might be competitors in the near future? What small drug companies might be acquisition candidates? And so on.

Does my friend have expert knowledge? No. But he found doctors who needed some extra work and they write summaries of all the biggest FDA decisions of the week (or the day).

My friend compiles it together in a newsletter and sends it out and has had recurring revenue doing this for at least the past 15 years.

This is not a new concept. For hundreds of years, newspapers, magazines, and even highly specific academic journals (think *The Journal of Consumer Behavior*) have aggregated expert content and sold it on a subscription basis. Believe it or not, I subscribe to a newsletter in the laundromat industry.

There is excess information around in almost every area of the economy and our personal lives and health.

Some of them, particularly the academic journals, charge a lot of money for annual subscriptions.

But now, because of the internet, there are great tools to build your own newsletter platform and sell whatever excess capacity of knowledge and information you either have or can aggregate.

FIRST, A DISCUSSION OF CONTENT

Everyone says, “Content is king.” I hear that everywhere. And companies like Netflix and Hulu are now proving it by monetizing their original content.

But, in general, it’s very hard to monetize content. A speaking

engagement is a one-time gig. Podcasts only make money for the top few. YouTube channels, etc. sell ads, but very few people make a living from them.

It’s very difficult to make a living from selling content. Even a newspaper is limited in terms of growth potential because they are often only focused on local areas.

A newsletter that is available to anyone in the world is the best way to take your excess capacity of knowledge in an area, monetize it, and make a living (or better). Yet I have not seen anything out there that tells people how to make a robust newsletter.

There are websites to help with free email newsletters. There are websites that help you charge for a newsletter (or any product), but the entire package is actually fairly complex.

So I’m going to lay out the pieces for you right here.

Meanwhile, I encourage you to think about what excess capacity of knowledge you might have that people would be willing to pay for.

Maybe you are willing to try (or interview people who have tried) every popular diet that’s out there right now. That would be an interesting newsletter. Once a month you would analyze a well-known diet. What is it? Does it work? What are the health benefits and risks? Can it be modified?

Think about other ideas you might have. Even if you can only sell it for \$1 a month, with enough subscribers, that’s a good living.

HOW TO MAKE A NEWSLETTER: USE THIS CHECKLIST

First off, I want to add a caveat.

Because there are so many components to a successful newsletter and nobody has really put these components together before, chances are that creating a complex newsletter business is

going to require a programmer. That's because you'll be looking at all sorts of different products, different special reports, testing different revenue models, testing different affiliates to help you sell your newsletter, doing analytics so you know what content works, selling different subscription levels (lifetime, monthly, annually, etc.), managing archives of back issues, handling customer service issues, and more.

If you are starting from scratch, my guess is it will take three to six months to launch a newsletter and will require at least one programmer who knows how to put together all of the different components.

However, starting a free email newsletter (which is on the entire other end of the spectrum when compared to a fully robust newsletter) just requires you to be familiar with an email list hosting service like MailChimp or AWeber.

But even then, it's important to study how people build up their email newsletters.

As an example, when I was building up my free email list, I gave away one of my books for free in PDF form. I advertised on Facebook (note: Facebook allows you to highly target people and get started on a very small budget) and basically gave away my book when people signed up for my email list.

Everyone has the option to then quit my list, but most did not. Now I am closing in on 300,000 subscribers to my daily free email list.

When you want to think of a newsletter, think about three tiers:

- Free material.
- Premium material that you don't charge much for.
- High-end material where you don't expect many subscribers — but you can charge more for.

My goal in this chapter is to help people break all the chains of the regular job. A monetized newsletter, as difficult as it might

be to set up, is the best way to sell any excess capacity of knowledge you have to the entire world.

I did not build the platform for my newsletter myself. So I asked the head of the team that *did* to write down a checklist of every aspect that goes into creating a newsletter. These are all of the options and a complete step-by-step guide for how to build your own newsletter.

Keep in mind that as you're growing a newsletter business, there are many software services out there that will each want 3-5% of your revenue to handle the backend development. Sure, they make it convenient, but these costs can quickly add up to 20% of your revenue or more.

So the best way to build a newsletter business is to create it in such a way that it can scale. Can your business be profitable at 30 subscribers but still manage to support 30,000 users without any major tech overhauls? It will need to.

So we'll walk through a beginner and advanced version of what you'll need for a newsletter business. Here's the bare minimum:

- A WordPress installation (aka your actual site).
- A password-protected membership area.
- A merchant account.
- A shopping cart.

We'll cover the details of each of these in a moment, but before we go on we need to mention the basic infrastructure that goes into any website.

- A domain bought from GoDaddy or eNom is where it all starts. (These days, it's a good idea to buy a domain name for any business idea you have!)
- An SSL bought from GeoTrust so you can accept secure payments on your site.
- A hosting account with WP Engine, SoftLayer, Flywheel, or another provider so your site can be made available to everyone on the web.

Step 1: WordPress

WordPress is a content management system. It's free, and you can download the software from Wordpress.org, and then (I recommend) have a tech person install it for you. Or since it's the so common, most hosting providers now have step-by-step setup instructions for WordPress installations on their sites.

But out of the box, WordPress is simply a basic website that says "Hello world." (Literally.)

Next you need a design.

The easiest shortcut is to head over to Themeforest.net and find a design that seems to fit your style. One of the biggest advantages of WordPress is that its look and feel can be customized and altered via the use of different themes. Many are available for free, but Themeforest has thousands of professionally designed and coded WordPress templates, coding shortcuts and animations available for download to your new site — most of which cost \$20 or less.

Once that's done, it's time to set up your site and start posting free content.

Step 2: Membership Area

Once you start offering premium content — that is, paid content that is available to subscribers, but not everyone — you'll need a way to wall off part of your website where you'll host this information.

Fortunately, there are WordPress plugins — bits of code that add functionality to your site — that enable you to easily set up and manage your premium content.

The bad news is that there are LOTS of these membership plugins out there, and most of them are terrible. Either they don't do what you need for a newsletter business, or they do so much that they bog down your site and are overkill.

Here are my favorite three plugins for managing a membership area:

- **Wishlist:** A one-time setup fee of \$197 gives you unlimited use, with no monthly service fees and lots of flexibility in how you manage and connect your content with your merchant account.
- **Memberful:** An easy to set up plugin that gets you the basics of what you need at a fair price. There is a monthly fee that takes a cut from every transaction, though.
- **Member Mouse:** This is probably the most complex option, but it has great reporting features, allows users to sign in with their Facebook IDs, and helps you better understand what your subscribers are actually reading. It also comes with a monthly fee that grows with your subscriber base.

Step 3: Merchant Account

This will be the most frustrating part of your business.

Accepting credit cards is easier today than it has ever been. But so is fraud.

So, while someone can now enter their credit card information on your site in North Dakota and you receive cash your account in California within a couple of days, there's a lot built into that process that you probably don't know about. And it costs you dearly.

Most credit card processing merchants take between 3%-6% of each transaction.

But in the online world, most credit card companies mistrust subscription businesses. You have to understand, there are a lot of hoaxers out there. They'll set up a fake "business," take people's money, and then disappear after emptying their bank account. When the subscribers dispute the charges, the credit card company ends up being the one left holding the bag, paying out cash to the defrauded users.

This means two things happen: 1) You'll inevitably have this negative stigma attached to your account, and 2) your processing fees will be higher.

That's just how it is right now.

But there are a lot of options out there. Perhaps the two easiest are Stripe and Clickbank.

Stripe is a payments startup that offers low fees (2.9% + \$0.30 per transaction) and is extremely developer friendly. So you can customize the interface for your own business.

But if you want to be completely hands-off, Clickbank is a reasonable, albeit expensive alternative. It is a one-stop shop — a merchant account, shopping cart, affiliate platform and customer service platform in one. It takes 7.9% + \$1 of every transaction.

Step 4: Shopping Cart

Once you have your membership area set up and have a way to accept credit cards, your last step is giving the outside world a way to give you money.

Luckily, Stripe has started to build its own little shopping cart you can use directly on your secure site. The only problem is that it lacks a bit of the marketing you'll probably need to sell your service.

Stripe is so developer friendly that we can build all of the custom shopping carts that we need. They each have unique features that check for duplicate charges, customize different upgrade options, and can have any design we want.

But I know not everyone will have that from day one, so I recommend starting with another service called SamCart. They have solid templates and make for easy integration for beginners.

And that's it!

If you already have a small following and just want to offer a subscription service, you can get all of this set up for less than \$300 upfront and about \$120 per month.

If you're going for something more advanced, there are a few more things to think about.

- Email marketing software
- Customer service software
- Affiliate software
- Reporting software

Do you wish there was a one-stop shop yet?

There are companies that attempt to do this (including Infusionsoft, UltraCart, and several others), and they aren't bad. They are good for beginners. But they are expensive to maintain and you'll continuously find limitations once you start using them.

So a modular approach can get it done for cheaper and still help you scale. It complicates the setup a bit, though, so that's why we have them listed here for those interested in more advanced options.

Step 5: Email Marketing Software

This is where you can establish a real relationship with your customer base and free subscribers. This is how you'll send them free content, alert them to monthly issues, send out special reports, and share any random thoughts.

And if you build a free subscriber list (which you should) it's also a great way to make sure they know about — and can buy — your premium services. That's the model: Add people to the free list, wow them with your content, and eventually convert them to paid subscribers.

So set up MailChimp. It's one of the best software options in the business and it's pretty simple to set up. They've spent a lot of time worrying about their user interface to make it easy to use.

If you want more complicated systems that automate a lot

of behavior-based emails, then try out Active Campaign. It allows you to integrate more business intelligence tools that, for example, allow you to automatically send out a special email if someone visits a shopping cart page but doesn't buy. You set it up once and it goes on auto-pilot.

Step 6: Customer Service Software

Here's the rule: If you're growing a business with less than 1,000 customers, just use regular email and maybe hire an assistant to handle your customer service. But big businesses need a real customer experience, and there are software packages out there to help manage this.

The most popular right now is Zendesk. It allows you to build quick responses to frequently asked questions, view a history of every customer contact, and track trends over time. Very powerful software that's very easy to use.

Step 7: Affiliate Software

For newsletter businesses, affiliate relationships are the easiest way to go from 100 customers to 1,000 customers.

This is when other businesses promote your service in exchange for a percentage of the revenue. That way both parties win. You get customers at or near a profit, and they make money by selling your product (which their subscribers will love).

But remember how we mentioned a lot of merchant accounts have a negative stigma? So do affiliates. Think about it, the affiliate could promote your newsletter and then you disappear with all the cash and never pay out.

That's why I use HasOffers. It's one of the most well-known affiliate software tools in the space and it gives affiliates their own logins so they can see their stats. Conversions are easy to calculate and verify.

Step 8: Reporting Software

There are really only three ways to get customers:

- Through your own audience
- Through an affiliate
- Through paid media

If you get to the point that you're doing all of the above, no single software tool we've talked about will do, and you'll end up with lots more questions than answers.

- Where did my sales yesterday come from?
- How much are my customers worth?
- Is this affiliate or media placement making its money back?
- Which products and services are they buying?

Once you grow north of \$1 million in revenue, you'll want better reporting tools to make better decisions.

There are a few ways to get there.

Google Analytics can do a lot with its goal and event tracking. Take some time to learn it or hire someone to let you know your options. It's a free resource from the company that knows tracking better than anyone in the world.

Of course, a newsletter business can be as easy or complicated as you want.

You need to figure out how to spend your time. Using the advanced approach I've outlined above has worked to build several multi-million-dollar publishing companies. But even the basic initial approach has been used to grow several businesses that can easily generate more than six figures a year in income.

As you grow, you need to figure out where you want to spend your time. If your expertise is in cooking flavors at a molecular level, then you wonder if you really need to be the expert in all

of the above. My recommendation would be to hire a tech guy for 10 hours a week. Give him this guide and tell him to set you up. It's going to cost some money and take some time, but you'll have the model you need in place.

And more importantly, you won't be stranded once it's all set up and you want to make a change or two.

11 REASONS TO DO A NEWSLETTER

Many years ago, the dean of financial newsletters, Richard Russell, wrote a legendary essay entitled "The Perfect Business." More recently, Brian Hunt, the Editor-in-Chief for Stansberry Research, one of the largest financial newsletters companies in existence today, expanded on Richard's ideas a bit.

According to Russell and Brian, the perfect business:

1. Can be sold to the world: Rather than just your neighborhood or city. After all, why limit yourself to just 5,000 potential customers when you could potentially have 5,000,000 customers
2. Offers Products or Services that can be copyrighted or patented: When you publish a branded newsletter it's yours, and can be protected by copyright.
3. Offers products that enjoy "inelastic demand": This means people want and need the product almost regardless of price. When people get attached to a great newsletter, they don't mind paying extra if the price goes up. Individuals and businesses are always willing to pay big bucks for unique and useful information.
4. Involves low labor requirements: All things being equal, you'd rather own a company that produces \$1,000,000 in profit through the work of 10 employees, rather than through the work of 200 employees. Publishing newsletters has this quality.

5. Requires minimal startup investment and minimal ongoing investment: You're better off starting a business that requires just \$20,000 to get it off the ground, rather than one that requires \$300,000 to get it up and running. Starting a subscription newsletter business costs a LOT less than starting a restaurant, a doctor's office, or a retail store.
6. Is portable: You want to be able to easily move your business to the best climate (both "business climate" and "weather climate") — and most of it can be run from a laptop anywhere in the world.
7. Enjoys cash billings: You really don't want your money held up in complex credit agreements. Your product, your subscription newsletter, is purchased via credit card, and the funds are in your bank account within a day or two.
8. Leaves you with free time: You don't want to spend 18 hours a day "minding the store." Sure, while many of you love to work long hours, you don't have to be tied to it with a ball and chain. There's tremendous work hour flexibility.
9. Provides intellectual stimulation: As the saying goes, "Find a job you love, and you'll never work a day in your life."
10. Has low overhead: You don't want a business that requires you to constantly spend lots of money on electricity, expensive rent, and materials.
11. Is not limited by your personal time input: You want to be able to make money when you're not even in the office. Once you put in the time to produce a newsletter, you can sell it to 100,000 people just as easily as you can sell it to 100 people.

Create an Online Course — and Earn \$23,500 in 45 Minutes

We've covered why newsletters are a great way to leverage your excess capacity of knowledge. Think of online courses as using the same business model.

Many people have an excess capacity of knowledge.

An accountant who works with widows has an excess capacity of knowledge on the exact sort of help widows and widowers need to handle accounting when their spouses die.

Someone who has done graphic design for big brand companies for 20 years has intellectual excess capacity about graphic design and branding.

Someone who has been a public speaker for 10 years has intellectual excess capacity about building a public speaking career.

Think about that last example. That person can continue making a living public speaking, no problem. But people want two things:

1. Change
2. Scalability (making money while you sleep)

So, why not create a course? "How to build a six-figure public speaking career." Sell that course for \$1,000, do all the marketing things required, and make money while you sleep using your excess capacity of knowledge in the public speaking space.

Dorie Clark recently told me she was working on helping others create online courses.

She advises people and companies on how to take what's unique about them and stand out in a world where everyone now competes via social media for the same dwindling attention spans.

I had her on my podcast when her book, *Entrepreneurial You* came out. And then I found out about her second all-powerful skill: She's an excellent networker.

I started going to dinners she would organize with like-minded people — businesspeople, authors, creative types — where we would all meet and, over the course of a dinner, begin friendships that, in some cases for me, have now lasted years.

And then I found out her third amazing skill. She's extremely generous.

So when I heard a few months ago she wanted to write about how to create an online course, I asked her if she could first write an article about the idea. And then later when it's fully expanded into a course, I would again mention it in my newsletter. And now I'm using it in this book!

Thank you Dorie!



DORIE CLARK'S GUIDE TO CREATING AN ONLINE COURSE

I used to think making money online was sort of a scam. Sure, there were the spam emails hawking Viagra. But the “professionals” who were successful online also seemed vaguely sketchy, leveraging high-pressure sales techniques to sell overhyped “information products.” You couldn't really make money as an online entrepreneur, I thought, unless you bent to the lowest common denominator. I wasn't willing to do that, so for years, I wrote it off.

But then I started to hear stories about actual people I knew

who had multi-million-dollar launches for their online courses. Danny pulled in \$2.6 million. Todd earned nearly \$2 million. These weren't random chest-thumpers on the internet; they were my colleagues. Clearly they knew something I didn't. So I started to investigate.

For the past 10 years, I've been self-employed, building a profitable marketing consulting business. I slogged through it step by step, working individually with clients and, as I got a little better known, I began to get paid speaking invitations. Last year, I gave 74 speeches in cities around the world. It was fun and profitable, but deeply exhausting. The business model simply didn't scale.

I started to look for ways to get more leverage. Creating an online course was appealing. You could do it once, and reach hundreds or thousands of people (some MOOCs — massive open online courses — have literally enrolled hundreds of thousands). But I didn't want to waste months of my life and thousands of dollars pulling something together that no one wanted, and I feared that was a real possibility.

I interviewed more than 50 entrepreneurs who have created thriving six- and seven-figure businesses, often as solopreneurs or with very minimal staff assistance, to learn their secrets. The book doesn't come out until next year, but I was talking about it over dinner recently with James, and he asked me to share some of my preliminary research with you — specifically about how to monetize online courses. Here are the top things I've learned so far about how to make money by creating online courses, and I hope they'll be helpful to you.

Tip 1: You need to build an audience before you can sell a course.

This is where a lot of aspiring “wantrepreneurs,” or those who prey on them, get it wrong. “If you build it, they will come” pretty much never works in online marketing, at least for high-ticket items. The level of noise and competition online is just too great.

Instead, you need to create an audience — a community, a tribe, however you prefer to put it — before you launch your product. It doesn't have to be huge; this isn't about getting 100,000 email subscribers or a million Twitter followers. But it has to be targeted and hopefully passionate. You can make a very good living with only a few thousand dedicated fans. This requires an investment of either time or money, or both.

The best way is to invest time, because anyone can do it, and it builds a deep level of trust and good will. This involves creating interesting, valuable content (written, video, or audio) on a consistent basis, and getting your audience to want more. After all, why do James' readers subscribe to *The Altucher Report*? It's almost certainly because they've read the copious amount of free writing that James did for years, and that convinced them (and me too, since I also subscribe) that it would be worthwhile to pay for additional access. That's the kind of loyalty you want to create in your customers.

If you want to take a shortcut, you can also invest money to build an audience. These days, the best way to do that is often through Facebook or Google ads, where you get people to click by offering a giveaway of some kind (a special report or a workbook or a free webinar or whatever) in exchange for their email address. You can grow your audience and your list pretty fast this way, but unless you cultivate the connection over time, their relationship to you will often be shallow and transactional; they wanted the free resource guide, but not necessarily more from you.

Tip 2: Don't create something and then try to sell it; instead, ask your audience first.

When I interviewed successful online entrepreneurs, everyone cited this as the biggest and most common mistake. You have a brilliant idea — a course on "How to Improve Your Golf Swing in Just 10 Minutes a Day!" — and you're sure your audience will love it. So you spend dozens of hours honing and perfect-

ing it, and launch it, only to sell zero copies. Something similar happened to Danny Iny, an entrepreneur I interviewed for the book. Years ago, he created his first online course (ironically, in retrospect, called "Marketing that Works") and it turned out to be a complete failure. "If you look at the time I spent, the money I made, my dollars per hour was \$0.11 or \$0.17 or something. It was terrible," he told me.

The problem was, he had guessed about what his audience wanted, rather than knowing for sure. A desire to never again repeat that mistake led him to create his current methodology, the Course Builders Laboratory, which emphasizes the importance of surveys and testing, so you don't waste a lot of time if people don't want what you're offering. It's been hugely successful, helping others build courses and earning him a great living (he's the friend who brought in \$2.6 million with his last launch).

Specifically, he and Ryan Levesque — whose book *Ask* is definitely worth consulting about this — suggest starting with a survey of your audience. (That's why it's so critical to build one first.) By starting with an open-ended question about the biggest business challenge they're facing, and then asking a series of more specific questions, you can begin to understand what's on their mind and how that overlaps with a way you might be able to help them. By surveying my own audience last December, I learned that they were really interested in learning more about how to become a recognized expert, which was the subject of my book *Stand Out*. That gave me the confidence to move forward with creating a possible course on the subject.

And when I say "possible," I still hadn't definitely decided to do it; again, that was up to my audience. On the survey, I asked people to indicate if they'd be willing to let me contact them if I had further questions, and a good number said yes. In a trick I picked up from Bryan Harris, I selected 50 people who had agreed to a follow-up interview and who also were interested

in the topic of becoming a recognized expert, and I sent them a note asking if they might be willing to take a look at some brief information about a possible course I was thinking of putting together.

I had crafted one page of sales copy, based on direct quotes from the survey — things my audience had specifically said they wanted to learn about, or were having problems overcoming and wanted help on. I asked these 50 people for their honest feedback, and at the end, asked if I made the proposed course into a \$500 pilot offering, would they like to purchase it? I wanted at least 10% to say yes — and they did. Finally, I felt ready to launch a pilot.

Tip 3: Run a pilot.

A pilot may seem unnecessary. Didn't I have enough data yet to determine if my course would sell? Maybe. But I definitely didn't have enough information to know if my course would be any good. Of course I knew my subject well. But the part I was lacking — as is anyone is at this stage — was the understanding of what other people would be interested in learning, what they really need to know. It's only by running a pilot that you can get a sense of how people will respond to your material, what questions they have, and what they want more of. Without this knowledge, you risk creating a course full of irrelevant or confusing material.

Pilots can be conducted in a variety of different ways: in-person, through one-on-one or small-group coaching, a big event, a small retreat, or a series of webinars. I chose to run mine that way, offering five 90-minute webinars with a curriculum around how to become a recognized expert over a five-week period. I also threw in two bonus webinars: an "Ask Me Anything" Q&A session, and a special guest interview with a literary agent, as many participants were interested in writing a book.

In April, I was ready to go. I had prepared, but ultimately I had

no idea if people would be interested in the pilot. I capped it at 40, as I wanted it to be reasonably intimate for the first go-round, and crossed my fingers. I scheduled the email to send at 11:15 a.m., when I was teaching a business school class. I knew I had a lunch break at noon, and could check in on things then to make sure the system was working properly and there were no technical difficulties with the sales page.

I never expected what I saw when I logged in at noon, however. My inbox was flooded with hundreds of messages asking questions about the pilot and, especially, sales. I counted them up: I had already sold out. I had to log in to my site quickly and take down the payment button so that the course, offered at \$500 per person, wouldn't get massively oversubscribed. It was a terrific problem to have. In those 45 minutes, I earned \$23,500.

Tip 4: Launch to your own audience first.

A lot of the big numbers you see in the world of online courses come from "JV" (joint venture) launches, in which affiliate partners market you to their lists in exchange for a share of the profits. That's the sexy part of course launches, with big numbers and big volume. It may look appealing to try this out of the gate, but you should wait at least until your second or third launch.

The reason is that it's hard enough to sell a course, often heftily priced between \$500-\$3,000, to your own audience, that already likes and trusts you. Building that connection with someone else's followers isn't easy, and you need to be sure your product and your launch sequence — the series of marketing emails and other sales techniques, like live webinars, that you offer — is in perfect shape before letting other people risk their reputation by marketing for you.

Instead, concentrate on getting everything right for your first launch — the equivalent of perfecting the mechanics of your tennis swing before you worry too much about power and force. Listen hard to the feedback of your pilot participants, and incorporate

that into the expanded content you'll offer for the fully developed course. And allow yourself enough time in between the pilot and the full launch to create excellent marketing materials, whether emails or videos, and plan out the editorial calendar of your launch, including which messages are sent in which sequence and on which days.

Most online entrepreneurs have a pre-launch sequence lasting about two weeks, in which they offer free educational content to their audience related to the course, in order to start building interest, and then have an "open cart" period of four to seven days during which the course is available for sale. Many marketers prefer this time-limited launch period, rather than keeping the course available for purchase anytime, because it increases the sense of urgency and prompts customers to take action now.

As I write this, I've just wrapped up my five-week pilot program, and the participants seemed to really enjoy it. Building a deep connection with loyal audience members pays off in a number of ways. They'll be providing testimonials that will help encourage future participants to join the course (which will be priced at \$2,000 — much higher than the pilot — as it will be fully developed). And we've created a close enough sense of community within the course, thanks to interaction on our Facebook page, that I'll be doing a paid one-day mastermind with about a dozen group members in New York City as a follow-up.

Creating an online course isn't a panacea; you can't just build it and assume success. But by asking your audience what they want, and creating and refining a product that reflects that, you can minimize risk and create a powerful form of leverage in your business.

• CHAPTER 25 •

Dropshipping: The Alibaba Arbitrage

A friend said to me, "I really want to quit my job."

Another friend of mine has been running a six-figure business this past year from her home.

I bring up these two separate instances because one of the goals of this book is to help bridge the gap between the first friend and the second friend.

Why? Because the friend with the job is unhappy. There are probably a few reasons she doesn't like her job.

Maybe she was told from birth that the way to be happy is to pursue your dreams in your spare time, but work at a job related to your college education so you can pay the bills.

Fine. Some of these jobs are great and people love them. Some are not so great.

But there's a more important reason.

Robots.

As I've mentioned in previous chapters, robots and AI are replacing everyone's job. That trend is not going away. Walmart no longer needs people to stack their shelves. Robots stack their shelves.

And if you think this is limited to blue-collar, think again.

Returning soldiers now talk to AI-based psychotherapists to help diagnose PTSD and determine what medications are cor-

rect for them. They actually don't even want to talk to humans because they are too embarrassed to open up to human psychotherapists.

In the arenas of law, accounting, middle management, and increasingly in medical fields, robotics and artificial intelligence are quickly increasing in technology to fit the needs of buyers.

This trend is only in the first inning. Some jobs are probably safe. Some aren't. But it's hard to say what will happen.

When I was talking to Robin Chase, the founder of Zipcar, she painted a bleak view of the future. She said that soon driverless cars will be the only ones on the road.

Maybe not tomorrow. But perhaps in 10 or 15 years. Who knows?

She said, "Ninety percent of the auto industry will be out of work, and it's not like they can take their skills and bring it to the driverless car industry. It's a completely different skillset. These people will need help."

The solution she suggested was to explore ways to make the government aware of these technological shifts in the economy so that they could be prepared for the economic outcry.

But that is a Band-Aid, not a solution.

The real solution is an individual thing: to maintain your health so that you have the energy to explore alternative income streams.

(I can't just say, "Explore alternative income streams." It's not always that simple — like, for instance, when you're sick in bed.)

But as I've mentioned in this book, it's important to remember that the average millionaire in the United States, according to the IRS, has seven sources of income.

This brings me to my second friend. She started a business last year selling a consumer product (she will not let me mention the product) on Amazon and it's now a six-figure-per-year business — and it's growing.

I asked her how she did it and was amazed by the response. In a nutshell here's what that method looks like:

Step 1: Identify a Product.

She'd find a popular product on Amazon and read all the one-star reviews to see what people's complaints were with the product. Her theory was that this is a top-selling product even with flaws; imagine the same product but without all the flaws that people hate about it.

Step 2: Source the Product.

She'd then contact overseas suppliers who could help her source the product she wanted with the changes the market was asking for (yes, you can do that now, thanks to the internet). And it's cheap. She buys products for \$1.40 each and sells them for between \$19.95 and \$20.95 each.

Step 3: Ship the Product.

She ships all of her products directly to Amazon and lets them deal with all of the shipping, storage and logistics.

Step 4: Sell the Product.

I mentioned the six-figures per year, right?

All of this is now possible because of Amazon.

If this strategy sounds familiar, it's because I already covered this Alibaba Arbitrage strategy in the "Finding Ideas" section of this book. But I wanted to expand on this idea even more.

Like anything, I think it's good to have a portfolio of items you sell. Most will fail. But once you find a winner, then you can start upping the orders (which helps you to negotiate a lower price) and you have a product line and potentially a successful business.

My friend sells about 40 units a day. That's between \$800-\$1,000 a day, or a solid six-figure business.

I was so fascinated by all this that I wanted to see it in action.

So we went out and found several other case studies of people who were doing the exactly same thing and using similar methods.

We interviewed them to find their secrets and I'm sharing the results with you here.

Scott Voelker is a successful Amazon seller and the host of "The Amazing Seller" podcast. **Skip McGrath** is an e-commerce veteran and the author of "The Complete Amazon Marketing System." And **Will Mitchell** is the co-founder of StartupBros.com and a popular blogger on retail arbitrage.

HOW DIFFICULT IS THIS TO DO?

Will Mitchell: Honestly, I think it's much easier than a lot of people think. Especially with the arbitrage. You're pretty much just looking for those price spreads and trying to take advantage of it.

It is the way to go right now, because we're in this expansionary phase of e-commerce where, like when the dotcom boom was happening, you could put up any website and you were already getting traction.

It's really similar in e-commerce right now. There are just so many buyers. You really put up any product and you're going to start making sales. People add bad pictures, bad descriptions, things like that — and they're still making sales. I think we're in an expansionary phase right now, where there are tons of different brands coming out with tons of different products.

CHOOSING A PRODUCT

Scott Voelker: There are tools out there. One in particular that I use is called Jungle Scout. That one there will help you, but it doesn't necessarily help you find ideas.

I always tell people to kind of go through your own life, your own hobbies, passions, maybe things that you use on a regular basis — whether you're an avid coffee person that loves coffee and you're just so passionate about it or wine or whatever. There are tons of accessories around the market that we can potentially private-label and build a business around. That's really the first step: finding ideas and stuff, paying attention to what products are out there. And then from there, you bring those ideas on to Amazon, and then you start to look and see if products are currently selling.

We want to find products that are currently selling because we don't want to guess that things are going to sell. We want to know that they're going to sell. We also want to look and see if we can do a better job by making the product better — we can improve what's already there. Because it's a lousy product to begin with, but it's selling. One way to do that is if you look at the reviews on Amazon, we can look at all the three-, two-, and one-star reviews, we can see what people are complaining about, and then we can go and have the manufacturer make these products better by improving upon those weaknesses.

Once you start to drill down and see that products are selling — and Jungle Scout makes it real easy because they have data points that they've tracked for the past 12 months — it really goes by the best-seller rank. Amazon gives all their listings a BSR — a best-seller rank. That changes hourly. It's driven by sales. That's why it's kind of tricky to explain it this way without visually seeing it. But if you have something in, let's say, Home and Kitchen, and the BSR on that is 10,000, it's probably selling, depending on the time of year, at least 15 to 20 a day.

Now, there's a couple of different ways you can do that without using a tool like Jungle Scout, but if you're going to go into this business, you're going to want tools. It's not that expensive, and it

will actually calculate that stuff for you, so you can see that data before you go any further, and it will do it really quickly.

Skip McGrath: I'm more of a shoot from the hip and see if it works guy. I do a lot of testing. I'll spend a couple of hours looking on AliExpress, just looking at all different kinds of products.

One of the things I know is that kitchen products sell well — and they sell all year round. They're not seasonal, so that's an area I tend to concentrate in. The other one is gun holsters. I also private label a couple of gun holsters, but these are holsters where I found a popular selling holster and I designed a copy and added a few features to it, and had it made for me over in China. Those are awesome sellers.

I have one product. It's a bed mattress holster. It's a holster that slips in between your mattress and you can have a gun next to your bed at night while you sleep. I'm selling those for \$22.95. My landed cost is less than \$6.00 and we sell 20 to 25 of those a day.

I'll go on AliExpress and I'll go into kitchen category. I'll just look for products and when I see a product that's attractive to me, like when I found the set of measuring cups and spoons that I sell. What I did was I went to Amazon and I typed in “measuring cups and spoons.” There weren't any sets. Everybody was selling a set of measuring cups or a set of measuring spoons and there wasn't anyone selling the sets together. I said, “Okay, why don't I create a bundle,” and they were actually two different products on AliExpress. In fact, we had a hard time finding one manufacturer that would do it because it ended up being that one manufacturer wanted to do just the spoons and another one wanted to do just the cups. Bruce, my agent, finally found a company that would do them together.

Again, I tested them. I bought a few of them and created a bun-

dle set. I gave it my brand name, The Smart Kitchen. The thing with Amazon is your brand name does not have to be trademarked to register it with Amazon. My brand name, The Smart Kitchen, is registered.

It is more of just using my experience. I've been doing this for 19 years. I just have a really good feel for what sells. I honestly don't worry about sales rank, because when you're dealing with a brand-new product, they will have zero sales on it, none at all. It takes about a month to get the first sale, but then once they sell and I get a sales rank, they'll start selling pretty steady.

Will Mitchell: You definitely want to make sure that your product is small, light, and not fragile. Basically anything that's expensive to ship is going to be tough.

To give you an example, at one point I was researching and I saw patio furniture sets, and I thought that would be a great product. I aimed for about 10 of those, and sold all 10. It went really well and everything, but two of them actually got damaged in shipping. So now I had to pay to not only to get this patio furniture set from China, but now I had to get it back to me and get a new one to my customer.

Any product that's really heavy, bulky, and expensive to ship is generally going to have that problem, where a couple returns or anything like that is going to completely eat up all your profit margin. You want your product to be small, light, simple to ship, cheap to ship.

You also want to stay away from markets with a lot of brand loyalty. If you're trying to create a new line of toothpaste or something, the cost for acquisition to get customers away from Crest and Colgate is going to be much higher due to that heavy brand loyalty. You want to watch out for that. Then you also want products that have a high error tolerance. Obviously you don't want

to be selling things that require precision engineering and things like that.

Obviously you want to avoid trademark goods, counterfeits and things like that and highly regulated goods, too. You don't want to be selling missile launchers or something like that. And if you try selling counterfeits, you'll generally get banned from Amazon.

SOURCING YOUR PRODUCT

Scott Voelker: The next step is to take the product or products to Alibaba or AliExpress, which are owned by the same company, and then start to see if you can find products that are similar.

The key here is a lot of people are doing this, so you don't just want to go and grab the first set of products you see. What you want to do is start creating relationships with the agents, because everyone that you're communicating with on Alibaba or even AliExpress are agents that work for the manufacturers. The suppliers. People need to understand that when you're communicating with these people, you're almost, in a sense, interviewing them. I have an email that I use, I copy and paste it, and I can contact 20 suppliers in a matter of five minutes — just by copy and pasting in my template that I've already created, because I've done it so many different times.

You really just want to ask them questions about their process, about how many units have to be ordered, do they ship to the U.S., do they use DHL — all of these little questions that you want answered. You also want to see how they communicate with you. How fast they get back to you. You're building a relationship with them, and you're actually interviewing them for the job.

From there, once you get a good agent and a good rep, that's where you can really go into their catalogs and into their resources. That's where you don't necessarily have to go to Alibaba anymore, you can just use Alibaba as the starting point and then get into their product line that they offer.

GETTING SAMPLES

WM: What we recommend for most of our clients and what we've done in the past is start off finding a great product on AliExpress. Do anywhere from one to 10 samples, pretty much the lowest amount that the supplier will allow you.

Once you get the goods, you pretty much just open up the box. Check them out. Make sure they're good. Then list them on Amazon, eBay, whichever one you're selling them on. Then as your sales start coming in, you're going to get a pretty good idea of what the actual sell price of the product is.

If the quality of the goods is up to the customer's quality expectations, then from that you can really see, “Do I want to continue expanding into this product? Continue buying in bigger and bigger amounts of this product, or do I want to diversify and go to another product as well?”

SV: The samples are also a great way for you to see how these people package things. If it comes in a bubble bag that's all duct taped, well, we might not want to do business with this company. But if we get it and it's in a nice box and they've secured it and you can see their packaging, that's great.

A lot of times they're going to charge you for the sample, but they're charging you more or less for the shipping. So

if you want to order three or four or five different samples of different variations of products, they'll put them all into one box. And then from there you can go ahead and kind of get a better idea of what their products look like and kind of how they're made.

The other thing is, a lot of people say, "I want to see my branding on it and I want to see how it looks as far as quality." Well, what I always do, instead of having them just put my branding on it for one piece, because that will cost you more, I'll just say, "Give me something that you've done for someone else, and then I can see the final product." This way, they can give me a sample really quickly, but then I can also see exactly what it's going to look like — the quality, as far as how it's printed on the particular thing, how's it engraved or how is it laser-printed, or any of that stuff.

DIFFERENTIATING YOUR PRODUCT

SM: My newest thing is private labeling, which I started doing about two years ago. What I do is I go to AliExpress and buy an item, typically a generic item. Most of my private label products are kitchen products, so I'll buy a generic kitchen product. I'll list it. I'll order maybe a dozen of them or six or 10 or something like that. I'll list them on Amazon and see if they sell.

If they sell as a generic item, then I'll have my agent in Hong Kong contact the supplier and negotiate a large quantity. The other thing my agent does for me is he has artists and designers and photographers he works with so he helps me design the packaging, put my logo on the box, and so on. Then he'll have the boxes printed and made, and send them to the manufacturer, and have the manufacturer do a quantity of whatever, 500 to 1,000 — whatever their minimum

of our product is. They'll box them up for me in my boxes and then he'll arrange shipping to me.

SV: There are very subtle things that you can do to make things your own. You can make improvements to the product, but you can also redesign it. You can make your own shapes. You can add accessories that are attached or a longer piece of Velcro — because it's had reviews that said the Velcro that comes with it is too short.

You've almost got to think of it in a sense like you're an inventor, almost like you're improving a product that's already been created. You're going to be able to enhance it or come up with a new idea, or a new spin on it.

Really, I always tell people, don't think about inventing the next best thing without knowing what the audience or what the customer wants. It's never been any easier. Just go to the reviews that they're posting publicly and listen to what the negative reviews are saying. From there, you're going to be able to include that in your product, and you can call that stuff out in your product. You can say, "Our product has this, this, and this, as a lot of our competitors do not."

DEALING WITH FULFILLMENT

SV: Once your product is ready, you can either have it shipped directly from the manufacturer to the warehouse — which I don't recommend because I want to be able to inspect everything I sell — or have it shipped to you. I have it shipped to my location here, my home office. I inspect it, I inspect a few boxes just to make sure that it's what I was expecting. Then I repackage it up, just put a couple of labels on it, and then I ship it off to Amazon using [Amazon's] UPS account.

Literally, theirs is probably 75% less than what we would spend in a UPS store. They literally discount it so heavily

because they get so much business.

For me, if I'm going to ship a one-pound item, it's probably going to cost me about thirty cents to ship that in to Amazon per unit. So I just add that to my final cost.

SM: I actually don't have them shipped to me. I have a warehouse I work with in Tennessee. It's a company called My Inventory Team. They're an Amazon prep warehouse, so I have everything shipped to them and they store it. Then I create the PDF files and the labels. They label the products for me and ship them into Amazon for me. That saves me money because even if they're charging me a fee to do that, because they're on the East Coast they're a lot closer to the Amazon warehouse (where my products tend to go) than I am. The money I save on shipping across the country covers most of their prep fees, not quite 100% but quite a bit.

The big savings to me also is time. They're doing all the work. I'm not. It takes me 10 minutes on the computer to create the order and email it to them — and then they do all the hard work.

LISTING ON AMAZON

SV: The only thing you're going to really need to set up your listing is a UPC code, and you can get them pretty much anywhere. If you look up cheap UPC codes online, you can find a bunch. You're just going to order a batch of those, maybe 20 of those. You're only going to need one, and then that one you're going to use that as your listing — because Amazon won't let you put a product in unless you have a UPC code.

Once the UPC code is used, you don't really need it anymore. I have been listening to a lot of people say it's prob-

ably a good idea to put the UPC code right on the package anyway. That way it's an identifier that it's your product and no one else can really rip that product off. So that's an idea too.

From there, you've got the listing created, you're going to create a good title, a good keyword-loaded title, so you want keywords. People are not searching on Amazon for categories. They're not going there going, "I wonder what's in this category." They're going there because they broke a garlic press, or they want to get a new tennis racket. They're going to type in "Tennis Racket" or "Garlic Press." You want to rank for these keywords. You need these keywords in your title. You want a really well written title. You want it to explain what the product is.

You want great images too, so hire a professional photographer to take some really high quality images. You want good bullet points. Bullet points are going to talk about the benefits and the features, and you're going to want a good description.

SM: I think a lot of it is how good you are at writing descriptions. The other thing is selecting keywords. There's a service I use called MerchantWords.com.

I'll go to Merchant Words, type in let's say "ceramic knife," and it'll give me a list of all the keywords that people search for when they're looking for ceramic knives. I work those keywords into my title and the keyword fields.

That's one way to get your listings found a little sooner. Being good at picking your keywords is key to getting your listings looked at and seen. Once they're seen, it's writing good bullets and good descriptions that are really benefit oriented that drive the sales.

PRICING AND COMPETITION

SV: I think it's about choosing the right products. The minute you go into a product that's overly saturated, competitive, and everyone else is going after — then yeah, you're asking for it.

Really, my model and method is that I'm constantly trying to improve my research, trying to find obscure products. Not that they aren't necessarily going to be found and wanted, too, but not like, a really sexy product.

For example, if you had a replacement part for a very popular blender. That could be a very good product to sell, but not a lot of people are going after that. They're going after the supplement, or they're going after the barbecue gloves, or they're going after something that everyone else is going after.

I'm really looking for products now that are just obscure in a sense. Also I'm looking at bundling. If I see that the products are selling good together, like, Frequently Bought Together, then that might make a good bundle. Then I would bundle those and have that sold as a discount.

I hear people say that a lot. “Scott, are you worried about people coming into the market?” No, I'm really not. It just means that you've got to be a little bit more creative. If it was easy, everyone would be doing it and everyone would be successful. There are thousands of people probably coming aboard, but there's also thousands of people that are giving up and just moving on to the next shiny object.

SM: The Amazon FBA fees are up there. You have a pick-and-pack fee and a handling fee. The pick and pack fee is \$1.04 and the handling fee is \$1.00, so right here is \$2.04. So if you're selling an item for \$9.95, that's 20% margin right

there.

My average selling price for everything I sell on Amazon is a little bit over \$30. That way, that \$2 fixed is the smaller percentage of my average selling price than it is on low-priced item.

First of all, the reason to use FBA is you sell more. When we moved from merchant fulfilled to FBA, our sales just about tripled overnight. But again, if you're going to be an FBA, you don't really want to deal in low-priced items. You want to shoot for items that have an average selling price of \$25 or above. Otherwise the fees just kill you. You don't end up making any money.

They also charge a 15% Amazon commission. There are those two handling fees, which are fixed fees. There's weight-based handling fee. Because of where my average selling price is, my Amazon fees tend to average about 22%, so I'm making about a 60% average margin on my private label products. On my wholesale products, though, my margin is lower, total margin about 48%. If I'm losing 22% right off the top, that's not leaving me with a lot of money, which means I've got to sell a lot of products.

PROMOTION

SV: If you have a Facebook fan page that you've built, you can advertise that you're going to run a coupon, a special, for the first 25 people that respond, maybe they'll get this garlic press for \$1 when it's normally going to sell for \$29.25. You give out these coupons, and then people can buy it through Amazon, and they can give you their unbiased review on that, because that's what you're looking for. You're looking for sales and you're looking for reviews.

That's really kind of to kick start things, and then you're going to want to roll into turning on your Amazon pay-per-click advertising. Amazon pay-per-click is very simple to use, but it's very powerful because now I can target keywords that my customers are searching for. Amazon also has an auto campaign where they'll target for you. From research that they've had from their database from people doing millions of searches, they kind of know what people are searching for that's based off of the keywords that are loaded into your listing.

What I always do is I set up an auto campaign for the first week, the first seven days, and then I pause it. Then from there I'll look at the data and I can see the keywords, the exact keywords that people have searched for. From there, I'm able to then take those keywords, if I want to, and then put them into their own campaign, and then start driving money and traffic to those keywords.

Then you just rinse and repeat.

SHIPPING

SM: Amazon sets the shipping charge based on the size and weight of the item. They have a formula they use for setting that.

Again, with FBA, when I sell, usually, I'd say 90% of my sales are free shipping. I'm not charged. Amazon doesn't charge me any shipping. They have this thing called Free Super Saver Shipping. If the total in your shopping cart is \$35 or more, Amazon ships everything to you for free. When that happens, when I sell something under that scenario, Amazon does not charge me any shipping.

If someone just bought, let's say, the measuring cups and

spoons set that I sell for \$19.95 and nothing else, then Amazon would charge. They charge the customer for shipping and give me that shipping credit. Then they charge it back, so I see it on my fees as a credit and then I see it as a charge.

WHAT'S NEXT FOR THIS BUSINESS?

WM: I think rebranding is the way to go. Jump on Amazon and just look around. The best way I've seen to really target hot products is actually through Amazon-sponsored ads. If you look at what other sellers are advertising you can assume that they have a pretty good margin, because they can afford not only the costs and the Amazon fees, but also to advertise their products.

I think this is a great way to build an actual sellable company rather than a lot of these get-rich-quick schemes. This is something where you can make money, but also build a sustainable, successful brand that has raving fans and real value.

I think people think it's so tough. Every company on Shark Tank is doing this exact business model. They find some product. They improve upon it. They sell it. And within not even a year a lot of these companies are on television with a badass brand that people love.

Outsourcing in an Idea Economy

There are a lot of smart pundits out there patting themselves on the back right now.

They do this because for many years they were right about one thing: We are moving from an industrial economy to a knowledge economy.

Sell manufacturing, buy tech.

In other words, we began to outsource industry (e.g. cars and computers) and we began to “insource” (i.e. hire) knowledge. Knowledge includes things like programming, engineering, other sciences, etc.

These same people are still writing books about how smart they are.

Unfortunately, they are wrong. We aren’t in a knowledge economy and we haven’t been for at least five years and probably closer to 20.

The middle layer of the economy: Middle management and the “knowledge workers” are not being outsourced or demoted or replaced by temp staffers or robotics.

It’s because we now outsource knowledge.

Even I do it. I translated one of my books into several languages (all outsourced to India or Vietnam).

I do programming projects (like an app for the Apple Watch).

It's being outsourced to India.

For the fun of it, I've even outsourced the rewriting of a famous book to a group in Malaysia.

Because of the increase in literacy throughout the world, people have been electing not to come to the United States anymore to get their higher education. They are staying at home.

But the pay has not yet caught up. Eventually it will. But until it does, it pays to outsource as much traditional knowledge as possible to these other countries.

So what economy are we in? What can't we outsource?

Ideas.

I can't really say to someone in a foreign country, "Come up with 10 ideas for me of businesses I can start here."

Now, of course I can. But if I am the one who is passionate about an area of business, and I see the needs of the customers here, nobody is going to help me come up with good ideas.

They can help me execute on those ideas (as I outsource industry and knowledge), but they can't help me come up with a vision.

I can outsource grammar and spelling mistakes, but I can't outsource leadership.

We live in an Idea Economy, or if you prefer, a Leadership Economy.

As Taylor Pearson, author of *The End of Jobs* mentioned to me on our podcast: You either are going to have to "exit up" or "exit down."

That sounds dire and scary. But it doesn't have to be that way. I don't think it's that hard to "exit up." I think it's a matter of always making yourself indispensable.

But this brings me to an important point: fear. It's one thing to say, "You might have to 'exit down.'"

It's also another thing to say, "The world is going to hell." Or to spread fear-mongering by talking about how the economy

is going to crash forever and everyone is going to die poor and hungry.

But the Myth of America's decline has been around since 1776 and won't go away. It's in our nature to believe in Declinism. We're always nostalgic of the older, easier days. It makes us think that something must break.

Guess which century had the lowest level of violence ever as a percentage of the population and as measured by how much of that percentage died of a violent death?

If you guessed the 20th Century, the century with two world wars, Vietnam, Korea, the Cold War, the threat of nuclear annihilation, and many other regional conflicts — then you would be correct.

If someone says to you, "The dollar has lost 97% of its value in the past 100 years," this means nothing.

You also have hot and cold water. You also live longer. The cost of a unit of light is almost zero (versus the expense of candles). The cost of traveling across the entire planet is almost zero versus what it was.

And here's the real trick.

Ideas evolve faster than humans. A human generation is about 20 years. An idea generation might be just a few years.

3D printing, synthetic biology, sensors, robotics, and biotech are all evolving at incredibly fast rates right now.

Well, doesn't that need knowledge workers?

No, not at all.

For instance, if I have an idea for a car, I can outsource some CAD Designs for the entire car. Then I can send the CAD Design to a 3D printer in Malaysia. Then I can print a car.

And by the way, then I can sell it to you.

All without having it in my inventory.

Now, this is impossible right now. But I know it's going to come true. How come? Because the technology is all there and

it's growing at 200-300% per year. Which means within five to 10 years I'll be able to design and print my own car. Design and print my own house.

I'll be able to type out the DNA of a new drug and design and print my own drugs. (Scary thought, but that technology is actually here NOW and the government is racing to figure out how to regulate it. They won't be able to in the long run as it gets easier and easier.)

Right now, for instance, at a very basic level there are people who design jewelry. They use simple CAD designs which they send to Shapeways, a 3D printing company using the latest technology. Shapeways prints the jewelry and sends to the customer.

Jewelry is easy. Cars are hard. But the benefits of 200% growth per year every year is that we are not so far away from printing whatever we want.

Technical innovation has dug us out of every hole we've ever been in. It's dug us out of the Depression (you can also argue World War II did, but it was truly the manufacturing boom of the 1950s that catapulted America to beyond anything the world has ever seen before).

You can argue: But what if the government gets heavily involved in commerce?

Well, just think how quickly capitalism has turned impoverished countries into developed ones. And how quickly the developing world is turning into a first world.

This is driven by governments that want to stay in power.

Corrupt governments often have violent deaths. Governments that have great economies stay around.

And, oh yeah, their leaders get rich.

Given that we know these trends are coming, how can you make money? How can you become an idea machine?

Start researching some of these trends. Be the first, be the expert, and you can start thinking of 10 ideas A DAY on how to make money off of them.

Every day, I'd get emails from people who are writing down 10 ideas a day.

One email I received said, after two weeks "it was like magic."

Peer-to-Peer Lending: What is it and How Can You Profit From It?

I've covered excess capacity several times in this book already. That is, using technology to better coordinate and profit from unused resources. And I've used Uber and Airbnb as examples.

In her book, *Peers Inc.*, Robin Chase explains how this model is quickly being applied to just about every industry you can think of, including borrowing and lending money.

That's exactly what peer-to-peer (P2P) lending is.

First, let's talk about how the traditional banking industry works right now. You put your money in a savings account, and the bank gives you a return in exchange for your business, usually a fraction of a percent. The bank then loans your money out in the form of mortgages and business loans and other kinds of loans, at 3% or 3.5% interest, for example. The difference between the rates that they pay you for your money and the rates they charge borrowers goes back to the bank. They profit by being in the middle of the equation and essentially facilitating these connections.

Peer-to-peer lending uses technology to better coordinate the supply and demand of lenders and borrowers. Whereas banks profit off the margin between the rates at which they lend and the interest they pay you on your savings, lending platforms allow you to pocket the difference yourself.

Now, obviously, these lending platforms aren't a replacement for your normal bank. They don't offer debit cards or checking accounts or other services banks offer. But when it comes to investing and putting your money to work, peer-to-peer lending is an interesting alternative that's accessible to regular people, offers better-than-average returns, and is becoming increasingly popular.

A GROWTH INDUSTRY

Tech-based peer lending first showed up in America in 2006. A company called Prosper was first, followed by Lending Club and many more.

In the early days there were lots of growing pains. Financial regulation, loan defaults, borrower eligibility, and many more wrinkles all had to be ironed out. When the recession hit in 2008, risky borrowers who didn't qualify for traditional loans flocked to these peer-lending platforms — and many of these problems became worse.

The industry could have folded, but fortunately the crisis also brought increased scrutiny, and many of these problems have since been cleaned up.

Still, today, peer lending is booming at the retail level. Morgan Stanley reports that the market size has doubled every year since 2010. And they predict by 2020 the total size globally could be anywhere from \$150 billion to \$500 billion.

In the U.S., Lending Club and Prosper alone lent almost \$12 billion in 2015.

These projections have gotten the attention of some big players. Many of the big banks are starting to dip their toes into peer-to-peer lending. Google recently became the biggest investor in Lending Club, while Facebook started talks with several platforms to integrate peer lending into its social network.

CAN YOU REALLY MAKE MONEY AS A P2P INVESTOR?

A lot of people look at the rise of peer-to-peer lending and think about the borrowing side of the equation. Anyone who has gone through the process of getting a mortgage or car loan or small business loan has likely fantasized about an easier alternative.

But this platform is really intriguing from the investor side.

Need more proof? Just remember that Google, Facebook and others are jumping on the P2P bandwagon — anticipating that there's big money to be made. And when there are that many dollars changing hands, we want to find a way to get in the middle of those transactions and siphon off some of those dollars for ourselves!

If you're interested in using peer lending as a side hustle, we analyzed many lenders' first-hand experiences and compiled the best tips we found to get the highest returns:

Tip 1: Don't be tempted by the biggest returns.

Jeremy Johnson at Financial Samurai has a basic — but incredibly important — piece of advice on investing via P2P.

Lending platforms will let you choose from various rates of return based on the risk of the loan. When you first log in to your account and see 10%, 14%, and 18%, it's easy to immediately mouseover the largest number! But don't forget that these high returns are high for a reason: They're the riskiest. There are real borrowers behind these loans, and those with checkered borrowing history are charged the highest rates, just like at a traditional bank.

By focusing on the lower-risk loans and completely avoiding the high-risk ones, Jeremy has achieved a return of 10.58% with Lending Club.

Tip 2: Minimize risk by diversifying as much as possible.

In his article at Good Financial Cents, Jeff Rose explains that while borrowers seek loans, investors can buy notes, which are fractions of loans.

Lending Club, the largest peer-lending platform, allows investors to buy notes in denominations as small as \$25. So while a borrower might be asking for a single loan of \$2,500, 100 individual lenders could be contributing to the total. Jeff recommends minimizing risk by spreading your investment across many smaller notes.

Jeff's annualized return was 10.83% with Lending Club.

Joseph Hogue adds a very important caveat to the diversification suggestion.

He explains that many investors buy the smallest possible note size to diversify across the largest possible number of loans. And rather than analyze individual loans, they just pick the rating they're comfortable with (most platforms use some variation of A, B, C, etc.) and buy notes accordingly.

They feel that by simply following the ratings and buying the smallest denomination, they can save time while still minimizing risk.

Joseph points out that buying such a large amount of loans (if you invest \$10,000 in \$25 note increments, you'll end up in 400 separate loans) will force you to broaden your criteria.

Instead, by increasing the amount of each note and buying fewer overall, you can be a little pickier. But don't worry, you don't need to do a ton of analytical work. Here's his secret: "I only loan money to those who have already paid off one Prosper loan, this I have found to be the most reliable indicator of success of repayment."

Joseph wrote an article that actually used a friend's account as a case study, and it showed an annual return of 11.76% with Prosper.

Where do we go from here?

Nearly every investor we looked at had one piece of advice in common...

Tip 3: Don't let uninvested cash sit in your account.

Each month, borrowers will pay you back a portion of their loan. Reinvest those proceeds quickly so that those funds continue working for you and aren't just sitting there collecting dust. Fortunately Lending Club and Prosper both have automatic investing features so the platform will automatically buy new notes based on your criteria when you have enough funds in your account.

Side hustles are all about finding the hidden opportunities. The paths to success aren't the obvious ones in front of you. Often there are peripheral ways to make money by getting creative and combining ideas.

As peer lending continues to grow and evolve, there will be countless ways to get involved and provide value, just like in the traditional investing industry. Here are some ideas to help you start brainstorming ways to dive in:

Analyze the data: I saw a website once that compiled local data for Airbnb. If you wanted to rent out your house you could buy a report for your zip code and it would provide a bunch of data based on the competition, like how much you should charge, what amenities you needed to offer, etc. You could do the same thing for the lending platforms. Create reports that analyze the most successful criteria for picking loans each quarter.

Help borrowers: You could do a similar thing for borrowers. Explain what filters investors are using and how to make their request for a loan the most attractive and stand out against other loans in the eyes of investors.

Teach: Entrepreneurship podcaster Pat Flynn makes \$30,000 a month from affiliate sales. He teaches people how to create websites or start a podcast, and then when people sign up for hosting using his affiliate link, he gets a cut. You could do the same thing by teaching people how to use peer-to-peer lending to invest. Create a YouTube tutorial that walks people through each step

of opening an account. Then when you've taught people enough to start investing on their own, direct them to your affiliate link to sign up.

Podcast about it: Here's a variation. Start a podcast where you interview investors to share their best tips. Once again, direct your listeners to sign up with your affiliate link.

Blog about it: Here's another variation. Start a blog all about peer-to-peer investing. As this industry continues to grow, more and more people will have questions. If you get started now, you can position yourself to be an expert when the industry is 8x bigger. Then at that point you can sell courses, ebooks, and other digital products.

Advertise: There are countless amazing stories in the peer-to-peer lending world. An entrepreneur was able to get a loan to start a business that changed her family's life. A student was the first member of his family to go to college and was able to afford it because of a peer loan. You could document these stories, turn it into a campaign, and pitch it to different lending platforms. They definitely want to flaunt the "social good" component of their businesses, so if you have marketing savvy, you could create a great niche for yourself telling their story.

Fundraise: If you got comfortable with peer-to-peer lending platforms, you could go find businesses that didn't meet their Kickstarter funding goals and charge them a fee to help get them set up on Prosper or Lending Club to raise the money they need.

Behind the Curtain: Inside Choose Yourself Media

I read so many business books by people who have never been in business. I read so many things about selling by professors.

Or books about negotiation by psychologists.

Or books about marketing by... I have no clue what they do in real life.

For me, being in business and making money was very hard. I never thought I could do it. I never thought I wanted to do it. And I never thought I would get good at it.

I'm not saying I'm great at it. But I know the basic skills needed and many of the myths that are propagated out there by people who sell B.S. courses/books and haven't actually run a business.

When I initially started *The Altucher Report* newsletter, I did it because I felt there was so much bad information out there, and I wanted to help correct it and maybe help people. I didn't want to put it out on my usual blog because I felt that blog was going in a different direction.

Plus, I wanted to hire people to help me put this together, help with research, help with distribution so the message gets out there. And I wanted to price it as low as I possibly could.

So far, so good.

The Altucher Report is probably the thing in my life I am most proud of. The feedback I get is enormous and many readers have independently established connections with each other through the Choose Yourself group on Facebook.

Not to mention the testimonials we get where people tell us about their success. I'm very proud of that.

I haven't started every type of business, but I've started a few — and I've seen many others grow from failure to success. Or from massive success to enormous failure.

And there are very few principles to follow.

Let me tell you the metrics of the Choose Yourself Media business and how we did it.

First off, I've started about 20 businesses prior to this one. I've invested in about 30 private businesses. And I've been on the board of, or advised, or analyzed maybe 100+ more businesses.

This doesn't make me an expert. Many of the businesses I've started have failed. But I'm really grateful that, along the way, I finally started learning from my mistakes.

To learn from your mistakes, you have to admit you made a mistake in the first place. I had to stop blaming others. I had to stop blaming the economy or the government or partners or customers or shareholders or employees.

Everything I'm involved in is 100% me.

Even when there are others involved — partner, shareholders, coworkers, etc. — my actions are 100% my own. I can't blame anyone else. I have to learn from all mistakes.

In 2013, several people suggested I started a media company with my particular approach. I didn't want to. I started a podcast instead.

But then I started hearing more and more facts that upset me from people reading my articles:

- Average income for people age 18-40 has gone from

\$36,000 to \$33,000 since 1992. So income for a key demographic has gone down. The entire burgeoning middle class has gotten a demotion.

- Not only has inflation gone up, but so have our biggest expenses. Healthcare costs (the biggest cause of personal bankruptcy), student loan debt, and housing prices have all gone up faster than inflation.

So, while incomes have gone down, the cost of the things we need to buy have gone up.

Basically 300 million people in America are slowly getting squeezed to death and it looks like the trend will never end. It will continue this way forever.

What will happen next? The collapse of the auto industry (self-driving cars will reduce the need for cars by 90%) will leave millions unemployed with no industry to replace the jobs they lost.

And this is only one industry among many undergoing this type of radical change.

Here's another thing that is happening: Senior citizens — your parents and mine — used to survive on a combination of Social Security and dividend income off of their 401(k)s, which they used as savings.

But with Federal Reserve interest rates so low, there is no way for senior citizens to make ends meet, let alone pay for rising healthcare costs.

And finally, the worst thing I saw was that the education around alternatives for making money was more scummy and bogus than ever.

Meanwhile, I was veering away from these topics on my free emails. So I decided to put in the effort to help people solve these problems.

So before the company even started, we developed...

MOTTO #1: MESSAGE OVER MONEY

Every day there are opportunities to make money once you have a running, growing business. But if it doesn't fit in with our overall message of helping people in these economic situations that are only getting worse, then we don't do it.

There's a corollary to this. Most of the newsletter businesses out there operate out of fear. A "BUY NOW OR ELSE!" sort of message.

Everyone wants to bash the economy, bash the government, bash, bash, scare, scare, etc.

I'm a big believer that innovation has always, still is, and will continue to outpace the idiocy of the government. It's funny how nobody trusts the government to do good things, but they do believe the government will outsmart the actual innovators in our economy by doing bad things.

Not going to happen.

But you have to take advantage of it. That's what we decided in the beginning that this business would be about.

In the interests of transparency and honesty, I want to tell you how we did it. This, of course, is a viable way for anyone to make money in this new economy.

When we started this business in February 2015 we had several things in place that came from hard-fought (and often depressing) experiences:

- We had a team in place where each person was great at what they did. I'll provide a breakdown of all the functions in a bit.
- We had infrastructure in place to handle worst-case scenarios (customer complaints, software failing, credit cards not going through, even me dying, etc.).
- We had an idea that was untested (a newsletter that focuses on entrepreneurship, life betterment, innova-

tion in the economy, and actual steps to improve every aspect of life, as opposed to just stock tips) that we decided to market.

In 2015, we did almost \$17 million in revenues. We had about \$1.5 million in profits.

To be honest, we astonished everyone in the industry with how quickly we went past even \$1 million in revenues, let alone \$17 million, in our first year. Some people were convinced we were a hopeless cause in the beginning.

But having experience and implementing the ideas I had written about for the past six years, plus leveraging the experience of the people I brought on as partners, was incredibly valuable.

And yes, we made plenty of mistakes. More on that in a bit.

Ultimately, though, I don't care about revenues. With a self-funded business, profits are all that matter to me. And sometimes revenues are gained at the cost of profits (for instance, if you spend too much on marketing).

And decisions that we are making right this second are 100% correlated to where we think we will be next year.

People usually don't realize how fast time flies in a business.

For instance, I was once on the board of a company that had six months of expenses left before running out of money.

I called the CEO. He told me, "Oh, it's no problem. In three months, we will begin raising money."

I said, "Bob! (Not his real name.) You're already out of business! Six months is already here. It takes at least that to close a fundraising round."

We had an emergency board meeting. Cut jobs. Cut salaries. Hired a bank. Put the company up for sale. Spoke with 50 companies.

Almost six months to the day later, with three hours left before we'd officially run out of money and miss payroll, the company sold for \$18 million and the founder became wealthy.

Let me describe what it is that Choose Yourself Media sells.

Now, we're constantly being approached by companies to help them promote their products. Keep in mind that I only want to offer products that I think would be of great benefit to you.

When you promote someone else's product, you usually get a fee.

Let's say I wanted to sell subscriptions to one of my research services for \$2,500. And XYZ Money Email List liked the idea of the newsletter and wanted to send it out to their subscribers.

Great! They then become an affiliate of that product.

But they want a split of the revenues. What is their split? This is how many email lists make money (hence the value of building up an email list even if you have no products of your own).

Often the split is 50/50. In this example, they take \$1,250 and we take \$1,250. The benefit to us is that we then get 100% of the revenues from renewals down the road.

This is the give-and-take of whether you build up an email list versus focusing your time on building a quality product. Do you go for affiliate fees, like many companies do, or do you try to provide a unique product that offers great value (which is what we try to do)?

Some affiliates charge more because they have proven success rates. Our top affiliate charged us 80% and we only got 20%.

But in order to do any of this, you need to have a strong email list.

BUILDING AN EMAIL LIST

A) VALUE

It's all about the value you bring. Make sure you bring value that nobody else in the world brings. You have to love what you are

doing. The person who loves what they are doing will beat out the person who doesn't love it and doesn't deliver value.

An example: Ramit Sethi loves helping people build businesses. He's been doing it for 10 years. He has a team of researchers. He studies this topic 24 hours a day. He writes free content every day. Hence, he's built up a huge, quality list of people who, quite correctly, listen to him.

Neil Strauss is another great example. Ever since *The Game*, he has built up a great list revolving around what he is passionate about: dating and relationships. It's a quality list.

Maria Popova has a smaller business. But she is still able to make a good living because of her massive email list at brain-pickings.org.

Because I like to see regular email updates from these people, I sign up for their email lists.

All three of these people I've interviewed on my podcast.

An email list by itself doesn't make money. The creator of the list sends out free content to his or her list. This keeps subscribers engaged with their message and interested in learning more.

Other lists build up using some of the techniques below, but because they don't actually provide real value, they tend to burn out.

B) FREE REPORT

When you give, you get.

Put together a report that contains everything you know about a topic.

For instance, I've self-published several books. I've worked closely with Amazon on self-publishing and even visited their offices in Seattle to spend time with them and learn as much as possible.

So I put together a free report about self-publishing. I put in everything I knew. And I gave it away for free. I used Facebook ads, Twitter ads, LinkedIn ads, and other mechanisms to get that report to as many people as possible for free.

Just one thing was required: To get the report that I'd put years of my life into, all you had to do was sign up for the email list.

Is this a bad deal? Of course not, because I constantly update the information and provide other things of value to everyone on my email list.

I've done free reports on investing, publishing, entrepreneurship, etc.

I've also sold my books cheap (\$7 for hardcover instead of \$20) for people who sign up for my free email list.

And like I mentioned in a previous chapter, I've even given away books to people who sign up for my list.

If you put in a lot of work to create something of value, it's not a big deal to ask for an email address.

C) LOTTERY

I love books. I am reading all the time. I want other people to like what I like.

So often I pick out my 20 or 30 favorite books and I simply give them away.

Not to everyone, that would be too expensive. I'd go broke.

But I have a contest. People sign up for my email list and they are eligible to win a set of 30 books.

Of course, some people will unregister for the list as soon as the contest is over. That's OK. You do what you have to do.

I like to think I offer great value to everyone, but not everyone agrees.

A good resource to find out how I run the lottery is to look up KingSumo, made by the AppSumo guys. It's an excellent resource to help with building up an email list.

D) BLOG

Finally, whenever I post anywhere, I contain a link for "Related Reading" and I link back to my blog where there is an option to get new posts on the email list.

So what happens after you build the list?

We then sell subscriptions.

Again, when many people subscribe, they often do so through an affiliate. So we don't always see a lot of the money, but it counts toward our revenues.

The money we do see goes into:

- Writing
- Editing
- Research
- Design
- Marketing
- Customer service
- And on and on, in order to make the best, most useful products in the industry.

The Altucher Report is a full team effort. Every month, I have at least two phone calls with editors and there are constant emails back and forth between editors, researchers, designers, guest writers, marketing, customer service when people have questions, and so on.

I also find experts in other industries to interview about their own successes and failures and very specific guidelines on how they achieve those successes.

MOTTO #2: EVERY PRODUCT MUST HAVE RETURN ON INVESTMENT TO THE READER

Throughout the month, versions of the newsletter go back and forth. Finally, it's finished and a designer puts the final touches on it before it's sent out.

Rule No.1 for every issue of *The Altucher Report* is that there is has to be a "return on investment" for each issue.

In other words, we ask ourselves, "If someone is reading this

in their cubicle and looking for a way to reinvent or in some way better their life, can they do it after reading this newsletter?”

Then we know the letter is on the right track.

WHAT IF I DIE?

One weakness of the business is that if I get hit by a bus, many of these products will have to change. But we have been working on many solutions to this (for instance, doing deals with other companies to offer an array of products of higher value in case I die).

Another solution is to buy what's called key man life insurance on me.

Another solution is to bring more researchers and writers on board to keep the quality of the products up.

And the other solution is to make me dying actually increase the value for the readers so that they get, in exchange, products of higher value.

MOTTO #3: IF YOU BELIEVE IN THE MESSAGE, DO WHAT YOU CAN TO DISTRIBUTE IT

The reality is that in the past, I had been going significantly out of pocket to write my blog and distribute it to various outlets.

I was paying people to help me. I was also turning down jobs that would have stopped me from writing as much.

And then I did a podcast with Naveen Jain, the billionaire entrepreneur who started InfoSpace and then later started a company that seeks to mine rare earth minerals on the moon.

I asked him, “If you are a billionaire, why do you need to raise money for your new company?”

And he told me, “In order to show that an idea is good, it must be sustainable. Other people validate your idea with their dollars, either as customers or investors.”

I wasn't sure about the investor part. I didn't need it. But I

felt that I had been writing for 15 years for free. For six of those years I'd been writing the message I currently write about, and I believed in it and wanted to expose it to as wide an audience as possible.

So I created higher-end versions and found customers who felt the same way about the world as I did.

We're all explorers in this new world of the “access economy.” We all have to figure out how to survive and flourish as the economic tectonic plates underneath us shift and move.

LESSON: Have revenues and earnings every month.

I'm always impressed by private businesses that are completely transparent about who they are, what their mission is, what they make and how, and how they plan to grow.

This transparency builds more of a relationship with the customer. We are all part of the same team. We are all here because we want to learn similar things and learn similar ways of dealing with this new economy and the new tools at our disposal.

Often *The Altucher Report* newsletter has lessons from other businesses. But perhaps the greatest lessons I've learned are from this business:

- How to market.
- How to sell.
- How to hire and build a good team.
- How to write for a paying audience.
- And so on.

Ultimately, the basic model of this business is:

- We have an excess amount of information (through contacts, research, experience) about the economy, about stocks, about health, about innovations in technology and so on.
- We build a platform to share that information so that people can make their own lives better.

- There is an audience of people who would like to avoid the traps that are causing so many others to fail in this new environment.

Altogether this is a business that helps others and keeps our own integrity intact.

Consulting: My Favorite Kind of Entrepreneurship Doesn't Really Look Like Entrepreneurship at All

This is what is great about a consulting business:

A) YOU DON'T NEED TO RAISE ANY MONEY.

It's not like you have to build a big gyroscope and attach it to a backpack and a power generator and fly around with a jetpack.

And you don't need to rent 1,000 cabs and have them work for you in different cities.

Or build a software system to take restaurant deliveries from every restaurant in town.

When you're a consultant, you just have to give your time, your brain, and your energy. That's it. So the startup cost of a consulting company is in your energy and your effort — not in your dollars.

If you know what you're doing and can sell it, you're in business.

B) YOU CAN SCALE UP OR DOWN ACCORDINGLY.

When I ran a consulting business, when I had new clients I'd hire new people. If I had clients leave, then some of my part-time workers would have to take a break for a while until I had new clients.

Simple as that. Very low, and very flexible, overhead

C) PRICING IS DIFFICULT.

It's hard to say what the value of your words and advice are. There's no real set amount or industry standard.

But the good side of that is, if you make a name for yourself, you can charge more. I was talking to Hal Elrod recently. He wrote the best-selling (and self-published) book, *The Miracle Morning*. It's a good book. I recommend it. He told me that he was working as a public speaker before he wrote the book. "I was charging between \$2,500 and \$3,000 per speaking gig." He would give motivational talks at corporate events.

After the book came out, he said, his price went up to \$25,000 per speaking engagement.

Here's some ways to build up your value as a consultant:

- **Take on brand name clients.** If Nike is your client, then you can charge a lot for your next one.
- **Write a book.** This puts you ahead of the people who don't write books.
- **Take on speaking engagements.** When you give a talk, mention clients you've helped and how you've helped them. Do this as a way of indirectly selling your services. What will happen is that the demand for your consulting services will then go up so you can charge more.
- **Hire staff.** Then people will know that, even when you are not available, the people working on the project will still be around. Obviously, this will only apply as you build up, but in my experience consulting businesses grow very quickly (sometimes too quickly).
- **Write a special industry report.** Sometimes this is better than a book. I'll use a hypothetical example here: Let's say you are setting up a consulting business to build

and maintain social media presences for local businesses your area. You can write a special report showing how much extra profit social media brings to local-oriented businesses. Boom, that will drive potential clients to you.

- **Host a seminar or webinar.** Once you've got the facts, then share them with the world.

Now, the consulting business is another example of using excess capacity that I covered in past chapters. Here are the three levels of modern business again.

Level 1: Excess capacity

Level 2: Buyers

Level 3: Platform

Let's say I have excess knowledge of social media strategy. That's Level 1. And I know there are a lot of local businesses in the area that need that excess knowledge (or I can educate them to show them why they need it). That's Level 2.

Level 3 is my consulting business, the platform.

My consulting business becomes the Uber or the Airbnb of my niche.

And unlike, say a newsletter, a consulting business requires no real infrastructure needs to be set up to support it.

I should know. I did it myself.

I ran a consulting business from 1996-2000. We did web design and web strategy for our clients right at the beginning of the commercialization of the internet.

I was an expert on web design. But my two partners were not. I had to teach them.

It's OK to not start off being an expert. But look around and see where people need help.

Start with my Idea Machine practice: Write down 10 ideas a day of things you can learn that you can use to help consult

people. There are many places and courses to learn the skills you need, just like my prior business partners learned from me on how to do web design and software.

If I were to go into consulting now — and I'm just brainstorming right here — I would looking into things like...

- **Virtual Reality:** Build the core skills to create VR experiences and start consulting companies about how they can use virtual reality to get more clients (for instance, real estate agencies can create virtual reality experiences of the homes they represent).
- **High-End Self-Publishing:** Every CEO has a book in him or her. Get all the skills necessary to help that CEO bring a book from beginning to end.
- **Millennial Social Media:** A consulting service that helps companies get more millennials as customers using the latest in social media.
- **Standard Business Consulting:** Help companies that are meandering take a step back and see how they can ramp up their profits. The best place to start here is to find a friend in this position and consult for them so you can get testimonials.
- **Peak Performance Consulting:** How do athletes achieve peak performance? What does the science show? Well, CEOs would certainly like to see their employees achieve peak performance. Can you show them how it's done?
- **Content Marketing:** Companies still focus too much on old school advertising. How can they think creatively about telling true stories via social media that can go viral and really show what they are about?
- **Minimalism Consulting:** There's a rage happening

in minimalism now. Go to high-end CEOs and their companies and help them with everything from lifestyle to business to architecture.

- **Gap Year Consulting:** Find 1,000 ideas for “gap years” that students can do. There are planned programs out there for students who want to take a gap year but don't know where to start. That's where you come in.
- **Debt Consulting:** From student loan debt to mortgage debt to alimony, people are drowning in debt. There are lots of ways to give them relief (including ideas like buying their debt, that can be lucrative if you have financial partners).

And that's just off the top of my head!

I'm not saying these are ideas you should pursue. This is me exercising my idea muscle for one day on consulting businesses I could consider.

If I were doing this every day, I might come up with a really good idea.

Right now, the bad news is that incomes versus inflation are most likely going down. I say “most likely” because:

- A) They ARE going down for people ages 18-35.
- B) We don't really know for sure how the government calculates inflation. My guess is they are going down for everyone. At least from what I am seeing.

Consulting is a way to reverse that, to take control of your own income.

Don't be fooled, though.

I have one friend who told me he was a “Consultant.” I asked him what he meant. He said he wasn't really an employee at his current employer. He had a headhunter who worked for a design

firm who worked for a consulting agency get him the job.

I said to him, “I don’t mean to be harsh to you, but you aren’t a consultant. You’re an outside contractor. And you just gave three other companies big chunks of your real salary without you even being aware of how much.”

You don’t want to be the person at the end. You want to be the person in the middle, getting the extra profit. That’s where you can take control of how much you make and your freedom.

Here's Dorie Clark again with a first-hand look at how to start a consulting business of your own.



HOW TO START A CONSULTING BUSINESS BY DORIE CLARK

Just over a decade ago, I was running a small nonprofit. I was making \$45,000 a year, and my stress level was out of control, because I was responsible for fundraising enough money to make sure I — and my two employees — didn’t end up on the street.

But at a certain point, I had a revelation: Running a nonprofit was exactly like running a small business. The profits were reinvested back in the cause, but we still had to make money — and I’d learned, through painstaking effort, how to do that.

It would actually be easier for me to work for myself, because I wouldn’t have the weight of an entire organization and staff on my back. I thought I’d try my hand at consulting.

Today, my consulting business just had its 10th birthday. I’m earning well over 10x my previous salary, work from home, travel across the world for business, and have managed to do it with only one part-time virtual employee.

If you’re interested in entrepreneurship, consulting is one of the best ways to get started, because there’s barely any overhead — all you need is a laptop and a café, or your kitchen table — and

a hefty profit margin, because you’re not dealing with physical goods. Based on my decade in business, here are the steps I recommend if you’re interested in starting your own consultancy.

What should you consult on?

For some people, the topic they’ll consult on is self-evident: You were an in-house advertising copywriter, for instance, and now you’ll be a freelance copywriting consultant.

For others, where your profession and your area of true expertise don’t align as neatly, you can start by thinking about what topics you know more deeply than most others, and what questions your friends and colleagues come to you about. You might sell insurance by day, for instance, but if you’re an expert comic book aficionado by night, perhaps clients could hire you to help them acquire choice volumes or liquidate their collections.

It’s also important to recognize that your area of focus might change, based on what the market is telling you. When I started my consulting business in the summer of 2006, I originally envisioned that I’d be a political communications consultant, advising candidates on their messaging (as I’d done in the past for gubernatorial and presidential races). But given luck or circumstance or where we were in the electoral cycle, no one seemed to want to hire me for that. Instead, when I let friends and colleagues know that I was going out on my own, I was immediately approached by nonprofit and governmental clients — including prestigious ones, like the National Park Service — who wanted to do business with me. I wasn’t going to turn down their money, so I started to reconceptualize myself as a “marketing and communications consultant,” rather than a political consultant.

Tip 1: Setting up your business

Many people spend far too much time at the start of their business trying to perfect all the details so they can “look professional.” This can waste thousands of dollars and lots of time. Your focus early on should be on getting clients, period. That will tell

you whether your business is a viable concept. But there are a few basic things you'll need to do.

- **Get a website.** It doesn't have to be fancy or cost thousands of dollars. But you do want a website with at least a few key pages, such as your bio, your services, and how to contact you. You can create something very fast using Wordpress or SquareSpace, and you can hire designers at low cost on freelance sites like Upwork to help you make it look nice. You can always make it fancy later on; right now, just focus on having something up about yourself so you don't look like a fly-by-night entity with no web presence at all.
- **Get a business card.** Don't worry about fancy fonts or logos or anything like that. But you'll need a card with your name, phone number, email, and website on it, so that people you meet can contact you. Yes, fewer and fewer people are bothering with business cards these days, and you could get by with saying, "Connect with me on LinkedIn." But honestly, if someone wants your card and may give you business, why make it harder for them to give you money? Just get something cheap made at Staples or Vistaprint, which is what I've done for the past 10 years.
- **Get a business license.** Odds are, your bank will require you to have one before they'll let you open a business checking account (which you'll need once you start earning income or writing checks for things like websites and business cards). You can usually get this for \$50 or so at your city hall; you can call to ask them the exact procedure. It's annoying but pretty fast and painless.

Here's what you don't need:

- **Office space.** Don't waste money out of the gate! Work from home as long as you can to save money. You may even decide you like it better, since you're saving yourself a sometimes painful commute. I've been working from home for 10 years, and have saved well over six figures as a result — plus I get to spend more time with my cats.
- **A logo.** Yes, Nike has (and needs) a logo. But you're not that kind of business. You can have a logo if you really want one, but I assure you, it's not essential — and it's exactly the kind of unimportant detail that too many people waste time and energy thinking about. It doesn't matter if your logo is green or blue; it matters that you get business, and clients couldn't care less about whether a triangle or a 3D rectangle "represents" you.
- **A corporate structure.** Here's the part where I warn you: I'm not an accountant or a lawyer, so go talk to your own first and don't simply take my word for it! But it's far easier to just get going with your business as a sole proprietorship, and then you can set up as an LLC or S-Corp later on if you want to (my understanding is that once you start making over six figures, this is what you want to do for tax reasons). There are some arguments for setting up a corporate entity right away, such as limiting your legal liability (as the name "LLC" implies). But I've also seen plenty of people who invest thousands setting up these structures, only to discover that their business isn't successful. It's so much better to just get started, test it, and then upgrade it if it's successful. I operated as a sole proprietor for several years and then changed to an S-Corp once it was time, and once I had the revenues and proof of concept behind me.

Tip 2: Finding your first clients

Where will you get your first clients? You might think it'll be someone you meet at a networking event, or someone who sees your Facebook ad, or someone who reads a blog post on your website. Those activities may all yield clients eventually.

But I can almost guarantee you that your very first clients will be people you know already. That's because there's a level of risk involved in doing business with anyone, but especially for high-priced (or relatively high-priced) consulting services. It's rare that meeting someone once — especially if they haven't heard of you before, and you don't have a significant track record of experience — will be enough to convince a potential client to part with, say, \$5,000 or \$10,000.

At the time, I was surprised about who my first clients were: a nonprofit that was led by a former coworker; a government agency that I'd dealt with when I ran the bicycling advocacy organization; a program office at a prestigious university that was led by a friend. But in retrospect, it all makes sense: These were people who already liked and trusted me, so they wanted to give me a chance, and they thought it would be fun to work with me. Odds are, your first clients will have very similar motivations.

So instead of thinking how you can get hired by Apple or IBM or whomever you want to hire you, start with people you already know. Make a list of your friends and colleagues who work in the field where you'll be consulting, and reach out to them casually to tell them about your new business idea. You may end up working for Apple or IBM, but it'll be because you know Brandi and Jim, who are employees and can help you break in. The goal isn't to sell them anything or pressure them into making a commitment. But just by mentioning your possible plan, many will likely respond with enthusiasm, and say something along the lines of, "I'd love to work with you; let me know when you launch." Those will be your first clients.

Tip 3: What to charge

The most bedeviling question for all new consultants is how much to charge. Rates are often closely guarded secrets, and people are hesitant to share information. In the early days of my business, I took wild guesses, and, frankly, was hindered at times by my own lowball estimates, based on the deprived pay scale I was used to at the nonprofit. Here are a few ways to get a more realistic sense of what to charge.

- **Join a professional listserv or online group.** Search around for relevant online communities, such as Facebook groups or LinkedIn forums, or those run by private individuals, such as my Recognized Expert course, which helps professionals seeking to become known in their field. These forums are often safe spaces to ask questions about pricing. Your local competitors may be hesitant to share trade secrets, but, even in a globalized economy, a consultant across the country may feel more at ease giving you the 411 about what they charge for various services.
- **Ask your friends who are buyers.** One of the easiest ways to get accurate information about rates is to reach out to colleagues of yours who are, or have been, buyers of the type of services you provide. A fellow web design consultant may be hesitant to give out her rates, but your friend who oversaw his company's website relaunch last year probably saw a half dozen proposals, and would likely share pricing information with you.
- **Push the envelope.** Early on in our business, there's a tendency to underprice, because we're so desperate to land clients. And there are certainly some instances where money shouldn't be the object, such as volunteering to work for an influencer for free in order to learn

from them and build a strong rapport. But in many other cases, you should actually try to price your services on the higher side of the equation. Yes, you'll lose some business at the margins, but taking that attitude can lend an aura of prestige and quality to your business, as I wrote about in this *Forbes* interview I conducted with famed psychologist Robert Cialdini. After all, if you're offering a six-month consulting engagement for \$1,000 and I'm charging \$10,000 for the same thing, who will clients assume is better? They may blanch at the price, or they simply may not have the funds to pay it, but if they do, and quality matters to them, the assumption is that my services are more expensive for a reason.

Finally, part of the secret of how I've been able to keep my business growing for more than a decade is an investment of time, not money — in developing an expert reputation. Creating content regularly (such as blog posts or podcasts) to share your expertise, cultivating social proof (affiliations such as being a board member of a professional association, or a columnist for a local newspaper), and building a strong network that can recommend you are all essential ingredients in building a consulting business that's successful over the long term.

• CHAPTER 30 •

Income Streams: Becoming a Home-Based Virtual Assistant

By Hannah Dixon

What is a virtual assistant? Well at its most basic, it's a person who assists someone, much like a personal or office assistant, only virtually.

The scope of what a VA can help with is much more varied than the traditional office worker, though, which is perhaps one of the most beneficial and exciting aspects of this career. You can be flexible in the hours you work, the services you provide, where you work from, and the clients you choose to work with.

Emphasis on the words “you choose.”

I chose this lifestyle three years ago when I realized that my core personal values were having the ability to travel, immersing myself in new cultures, and surrounding myself with people who inspire me.

I left behind a life of misery to pursue my dreams. As a natural helper, I found that virtual assistance offered me the freedom and flexibility I needed to turn my life around.

After three years, I have honed my skills and become successful at what I do. My first year, I netted \$23,000. My second year: \$37,000. My third year closed at \$47,000.

My fourth year is a few months in and I have already surpassed last year's income. It's set to be a good one.

I don't share my figures to show off. In fact, I know that to

many of you, they may seem pretty meager. But my success is measured solely by my own standards based on where I have come from in my own very personal journey and my relationship with money.

I believe with 100% conviction that virtual assistance is one of the easiest (if not the easiest) ways to begin a home-based business where you can pretty much start earning from the on-set. I would bet that every single person reading this has at least one skill that could be transferred to a task that a VA might be asked to do.

Whether you decide to become a VA is up to you, but I can say that by doing so you are immersing yourself into a world of digital marketing, funnels, copywriting and a plethora of useful skills that further down the line could be executed to birth your own digital products and services of almost any nature. Virtual assistance is a perfect springboard in many ways. I recently started my very own VA training academy [digitalnomadkit.com/nomad-va], just an example of how my skills have progressed and are being used to make additional sources of income.

I've thrown together 10 top success strategies that I have learned through trial and error over the years. These will catapult any VA from mediocre to highly paid and respected in their niche. In no particular order, here they are:

Tip 1: Continue to educate yourself

The online world is ever-changing. Technology, tools and programs are always being tweaked to suit the times and needs of their users. It's pretty much your duty to stay ahead of the game to be able to set yourself apart as a VA. You can learn the basics and get by, or you can be a pioneer of the cutting edge and offer you clients the newest, coolest strategies and tools for success.

I often think of myself as more of a partner in my clients' businesses rather than just a helper. This makes me far more valuable to them, and therefore my higher rates can reflect that. You want

to be pretty passionate about learning; this career will require just that. Following relevant blogs, news outlets, podcasts, and mentors is imperative.

Some great beginner's resources for learning are:

- **Social Media Examiner:** Get the latest social media news and updates in one reliable place.
- **Digital Marketer:** Explore marketing tactics and strategies you can implement for your client's business.
- **Smart Passive Income:** The go-to resource for creating additional streams of income, both for yourself and your clients.
- **Small Business Trends:** Understand the latest trends related to small businesses.
- **Entrepreneur:** Being a VA means adopting an entrepreneurial mindset and approach to working. This online magazine is invaluable throughout your journey.

Tip 2: Know your strengths and weaknesses

When I started as a VA, I would say "yes" to almost anything that came my way in a desperate attempt to satisfy my clients.

Can you guess the results?

You got it: a lack of motivation, a hell of a lot of time spent learning things I did not want to do, excessive time spent getting tasks done, and the beginnings of resentment toward my choices (and clients). Not cool.

Begin to define what your existing skills are, what you want to be doing, and what you can get paid for. Then figure out where they overlap in that sweet spot.

Anything outside of that is not necessary, at least for now.

One way to tackle being handed tasks you absolutely don't want to do is to build your network of other VAs that specialize in the areas you don't. That way you can refer clients to other VAs and oftentimes even collect a small referral fee.

By focusing on and mastering your strengths, you will be justified in charging higher rates as your expertise, execution and attention to detail will be unrivalled.

Tip 3: Self-discipline and time management

Working remotely takes a lot of discipline. Transitioning from a traditional job to self-employment means you have no one to prod you to get stuff done. You have to become the chief prodder and doer of all. Waking up, getting to work and actually getting things complete on time is a major challenge for many online workers.

My work is location-independent. I travel continuously (37 countries and counting!). This is my own version of self-care. I live fairly minimally. I work hard and play hard.

But self-discipline is REALLY easy to throw out the window when you're having fun. It's also easy to lose track of time zones and miss meetings (guilty).

Working as a VA will likely see you on Facebook A LOT. I know from experience that Facebook, or "Fussbook" as I like to call it, can kill whole days of your working week. It's still my biggest distraction, but I'm working on it. Here are some tools that I use to stay organized, manage my time and avoid being so distracted:

- **RescueTime:** A genius invention that allows you to track where you spend your time, giving you (alarmingly shocking) reports on where you've wasted hours and hours. It also blocks certain sites for predetermined periods of time, enabling more work productivity.
- **Trello:** My project management software of choice. Here is where I organize not only my work (clients, projects and tasks to be completed), but also my own personal life. It's super easy to navigate and customize in a way that makes sense to you. It's the first thing I refer to when I get to work.

- **Google Calendar:** If I had a boss yelling at me telling me what to do all day, Google Calendar would be their name. I schedule EVERYTHING in my life on the Google Calendar phone app. It helps me fit in important things like fitness, work and socializing seamlessly and helps me find where I have free time. It's fantastic for getting reminders and notifications on the go for client meetings and deadlines. It also integrates with all the important apps you'll use as a VA so you can sync up all your events.
- **WorldTimeBuddy:** Stop counting with your fingers and figure out what time it'll be in LA when you land in Hanoi within seconds. It's your job to pull info like this out of your butt as a VA. World time buddy is your friend.

Tip 4: Finding the ideal client

One of the greatest advantages of being a virtual assistant is the ability to choose who you work with. The more specific you can get, the better; it places you as an expert in your chosen niche.

A common misconception of new VAs is that the best place to seek clients is through websites like Upwork.com, where the opportunities are more or less a free-for-all. The competition is high, the rates are unmatched and, let's face it — the clients are looking for the quickest, cheapest job. It can be really disheartening. This is why I never recommend compromising your value or time by using these sites.

For myself, I work exclusively with life coaches and public speakers. I get 100% of my work through Facebook groups where my ideal clients hang out. Over time, I became well attuned to the way they speak and present themselves, but even more importantly, I became understanding of their needs. This placed me in a perfect position to be able to build authority as the tech go-to girl in those communities.

Tip 5: Passive income streams

The possibility of earning beyond your service rates is astounding in a VA career. Oftentimes your clients will trust you to make decisions on the tools and systems they must use in their online business. This gives you great power to use the ones that you love, trust, and are fluent in.

Many online tools have affiliate programs. My favorite is ConvertKit, an email marketing platform. For every client who signs up for ConvertKit using my affiliate link, I make a referral fee. The best part is that every month the client pays, I get paid! This builds a nice passive income stream beyond the work you did for said client. This is a perfect way to make this career work for you — even when you're not working!

There are other tools you can promote to make additional income, as well. A few ideas are: website hosting, social media schedulers, apps, hardware (webcams, microphones), WordPress themes, and much more! Just remember to keep your integrity. Only promote products you know and only to people you know will benefit from them.

Tip 6: Personal branding

This ties in with having an ideal client. One of the reasons you may be hired at a higher rate than someone on, say, Upwork is because of, well... you! People invest in people. People they can trust, people with social proof, people who display common interests, ethics, and morals. Personal branding enables you to display yourself authentically to your ideal clients, making you a much more attractive option.

This means that your social profiles, website, copy, and general way of communicating should be consistent with your values and interests, which will subsequently align with those of the clients you are trying to attract.

Tip 7: Ideal pricing model

There are three main ways that VAs price their services and yet only one that really values both the client and the VA.

First, the most commonly used system is **by the hour**. I started this way, using a time tracker and charged my clients by the minute. In theory, this makes the most sense, right? Clients **ONLY** pay for the time you put in.

But the fact is, things often take longer than you think and problems frequently arise (technical difficulties abound in this field). Before you know it, you're invoicing your clients for 10 hours and wondering where your time went.

If you are going to go with hourly, be sure to clearly define what you do in those hours. Clients can get nitpicky on hourly projects — you are training them to do so, which isn't ideal. Overall, I do not recommend setting your rates this way.

The second most commonly used system for pricing is **retainers**. This comes with more pros than cons compared to hourly pricing. Retainers allow you to bill upfront at the start of every working month (or week, depending on your agreement) for a set amount that will cover the client for X amount of hours. This is nicer than hourly as you have the security of knowing you will be paid each and every month. Hourly clients will tend to drop in and out, leaving you with dry spells. You want to strive for clients who need ongoing and long-term support.

The biggest con with using retainers, though, is that when you have a set amount of hours to be used within 30 days, the client often approaches you close to the end of the month with a shit ton of work to use up their hours.

The problem is they aren't the only client doing this.

Clients get lazy on retainers and you end up bombarded at the end of the month, leaving you overwhelmed. Of course, with clear boundaries in place, you can tackle this, but for me my real

“aha” moment with pricing came when I switched to another option: **value-based pricing**.

This can be a tricky arena to master as a new VA, and I’m not sure I would recommend it right out of the gate. It requires you to have a deep understanding of your skills, your client’s business, your tasks, and how long things are likely to take.

Value-based pricing is essentially charging your client a set amount by the project based on that project’s value. How long the project takes is irrelevant.

For example, Mary needs a sales page and funnel designed for her new product launch. Mary has an engaged email list of 2,300 people. With Facebook ads leading to her sales page, she is likely to bump that up to approximately 4,000. Mary’s product is \$500. Based on your experience working with Mary and knowing her past conversion rates, you know she is likely to convert a minimum of 2.5% of that 4,000. This is likely to pull in \$50,000 in sales.

Let’s say, with these figures in hand, you put together a kick-ass sales page and funnel. What is your time and effort worth? A lot more than hourly!

You could quite clearly define your value at, say, 15% of Mary’s overall sales. (Depending on how long you’ve worked with the client, you can negotiate the rate.) In this scenario, the client would be charged \$7,500 for this particular project.

This is the most satisfying way to work for me. I earn well, my clients know my worth, and I am more than motivated to deliver my absolute best.

Tip 8: Don’t offer discounts

Don’t do it. Especially to those of you working on hourly rates. Don’t give discounts for working more hours. No. Just don’t. This is a rampant problem in the VA world. For example, I see people

giving free hours on their higher packages in an attempt to incentivize their clients to buy in bulk.

This comes off as desperate for the sale. It says you’re in need of the money now rather than focused on the long-term goal. You are not a product. You are a service provider, a technical whiz making people’s business engines run smoothly. You wouldn’t ask your electrician to give you a lower rate because he worked longer, would you? You wouldn’t tell your boss to pay you less because you came to work every day this year and even worked overtime?

Nope. You’d want a raise.

This is one quality of the traditional working world you want to bring over to your home-based business. The longer I have worked with my clients, the more valuable I become, the more money they make, the more money I make. DO NOT DISCOUNT.

Tip 9: Relationship marketing is KEY

This is going to sound big-headed, but if there is anything I excel most at, it’s this, so it doesn’t go undeserved. Anyone who knows me will tell you I am one of the most connected people they know. I know the right person for any job and I can win over the hearts and minds of clients old and new with the tap of a button. It wasn’t always this way.

More than fancy marketing strategies and complex funnels, I focus my attention on building my network organically. I cannot stress enough how important it is to build strong relationships with your online community. I spent hours, weeks, months... okay... maybe three years building my network, and I still am. It is my one sole focus every morning — to engage, spread love, and be visible.

I rarely have to look for clients anymore. I am so well connected that people I don’t even know tag me on Facebook for VA opportunities. I wake up every morning to messages from people

requesting to work with me. How would that feel? To not have to even market yourself anymore?

How to effectively master relationship marketing:

- Show up every day and spread value. Even if you do not have the required skills just yet, show up as moral support to your communities. Get to know people. Remember faces and names (especially those in your ideal target market) and be of service as often as you can. Share in their victories, and show a genuine interest in their lives and businesses.
- Converse with your ideal clients on a friendship-based level.
- Don't promo all over the place. If you find yourself doing this, stop, go back to step one and repeat. Put being of service and value as priority.
- Schedule in 30 minutes twice a day to actively engage with your ideal clients on social media in a meaningful way.
- Make notes, keep at it, be patient, enjoy the ride and reap the rewards.

Tip 10: Have no delusions

Becoming a virtual assistant is definitely one of the easier ways to transition from a traditional job to a remote job. However, this by no means is an easy ride. I'm sure throughout these 10 points you already have some insight into the aspects that can cause stress and hardship, and let's face it, take more effort than you might ideally want to put into any job along the way.

Working for yourself is hard work. You've got to have a hell of a lot of motivation and determination to succeed. There is no point in half-assing in this field. You won't get too far.

Keeping your “why” at the forefront of your mind should be a daily practice, as important as your actual work. Anyone can find massive success as a VA if they're willing to go the extra mile to stand out from the crowd.

Brick-and-Mortar 2.0: Altucher's Guide to Creating a Mobile Business

This is how stupid I am. I was going to write a chapter on "brick and mortar" businesses. But I don't like to write about things I don't know about.

And I've never directly had a business like a restaurant, or a construction site, or a retail space, etc.

I don't even know what the word "mortar" means. I guess I would fail my SATs.

So I looked it up and it makes sense. Of course it makes sense. It means "paste." What are you going to do with all these great bricks you have if you can't paste them together.

But let me tell you what I do know. Eventually that mortar decays. And the bricks disintegrate into dust. In every single case without fail.

From the classic Shelley poem "Ozymandias" about a great king from the past and all he has left behind to show for his magnificence:

*"Round the decay
Of that colossal wreck, boundless and bare
The lone and level sands stretch far away"*

That is the story of every single business ever and ever will be.

And it is in the ravages of this decay, this disease that time

imposes on the living, that the true hustler, the true choose yourself-er finds his or her opportunity — the chance for pleasure and financial success and freedom. And where do you find this decay?

Let's start with that first letter, "D" and the four horsemen of despair it takes us too: Divorce, Disease, Death, and Debt.

These are twin siblings of opportunity.

A business goes through the cycles of life. When someone dies, for instance, their kids don't want to run it. They want to sell it. And fast.

When a couple, once in love, loses that spark that kept them lit, they also need to sell that business. And fast.

When a man gives his all into his passion, builds it, and then sadly gets sick, he needs money to pay for his health, to protect his kids, to solidify the remainder of his life. He gets that by selling his business.

The choose yourself-er doesn't buy the business at top dollar. Don't chase money. Money chases smart people. Not the other way around. Wait for the "D."

That might sound cold-blooded but it's not. It's a win-win. The business owner unburdens himself of a business he doesn't want, can't run, or can't afford — and gets a tidy sum in his pocket. And you get a ready-built business at a discount.

Why do I suggest this?

Because starting a brick-and-mortar business from scratch is really expensive. And there are usually a lot of costs that new entrepreneurs don't think about until it's too late.

There's finding (and affording) the location in an area where they think they can get customers. There's the rent, building upgrades so the space does what you need it to, inventory, insurance, all that stuff. It adds up a lot. Especially if you are trying to build your business in a major city where you will get a lot more visibility and walk-by customers. And then what if your

idea doesn't work? What if the people who live in the area just aren't interested in what you're selling?

It's a tough world out there for new brick-and-mortar business owners. That's why, if your heart is really set on a brick-and-mortar business, I suggest you stick with the 4Ds.

BUT there's another avenue you can consider.

There's a new "brick-and-mortar" business. One where opportunity can be created by you overnight. One with a lot less overhead, and a lot more flexibility in location.

I'm talking about mobile businesses. No, not phones.

Microbusinesses that require a lot less inventory and have a lot more room for creative experimentation.

Now, businesses on wheels are nothing new. They've been around since the dawn of the street vendor, selling wares at the market place off his fold-up table. They've manifested through the years in the form of ice cream trucks, lawn care services, hot dog carts, etc.

But a lot of people don't think of the biz-on-wheels model as one with many creative options. Those people are wrong.

You can put just about any business you want on wheels. I've heard of cigar shop vans, complete with couches and big-screen TVs. Recording studios on wheels. You name it.

This is what I do. I want to find out about something. I call everyone I know and find the people who are doing it — and I ask them a thousand questions. Because, heck, I might want to do this.

I remember a few weeks before Tim Ferriss started his podcast. I had been doing a podcast for a few months already. He called me and for two hours asked me 100s of questions. I'm sure he did that with a dozen other people. Now he has a top-ranked podcast. He blazed out of the gates.

You can do that also. I can do it.

So we reached out to a few experts in the industry to get their take. Here's what we learned.



Matt Geller, president of the National Food Truck Association, which launched in November 2013. Here's a transcript of our interview.



James Altucher: What are the most important steps if someone wants to start a food truck?

Matt Geller: The first thing that people should do if they have no restaurant experience, is go work in a restaurant for a little bit. Even if it's two months, that basic understanding of food is going to be very important. Then you've got to nail down what your concept is going to be. A lot of that comes down to cost of food and speed of production.

Trucks can go anywhere from \$50,000 to \$100,000 or even more. The first thing I would do is figure out what your menu is going to be and then figure out the cost associated with food trucks.

Second is managing your concept in a way that you know is mathematically possible. You need to figure out how much you need to make to make this work. I've seen a lot of trucks hand somebody a sandwich, take money and none of that money goes into their pocket because it's paying for propane, gas, the loan on the food truck, commissary fees. It's really important in the beginning that your concept make sense.

Once you have your concept and you feel like taking into account the cost of everything, make a menu and get 20 of your best friends together. Let's see how fast you can serve them out of your kitchen. You should be able to serve pretty fast. If you're charging \$10 a meal, you want to be able to do at least 70 meals during lunch.

What's next after designing a concept and making sure it's financially sound?

MG: From there, start to look into acquiring a truck. A truck is one of the most complicated aspects because you really have to understand the regulatory framework that exists in your region. Get all the necessary guidelines from the regulatory bodies you're going to be interacting with — the health departments for the permitting of serving food; the municipal governments that are responsible for businesses licenses and tax collection; code enforcement with the planning department. They're going to be responsible for how you do business on private property.

It's really important that you know your food truck can operate where you want it to operate. Now sometimes, you want to build a truck. Probably the most important thing is to make sure that the builder has built for your specific area and is meeting all of their required regulatory needs.

Between the concept and the truck, you should really be thinking about your customer acquisition strategy. How are you going to get customers? Are you going to use Facebook targeted ads? Geographic targeted ads to tell people that you're going to be in a particular location every day? Are you going to reach out to office parks and buildings and let them know that you're there to serve? Whatever it is, that customer acquisition strategy should never just rely on events and organizers, because then you will have a bunch of partners who can nix you at any time.

JA: What are other ways food trucks can generate business?

MG: Developing a great catering plan. It's really important that the general public understands that you cater events. It's always nice to get a check for \$1,000 and then go feed 50

people instead of trying to feed 50 people and taking money for each person. You always know how many people you have to serve. It's just a much better, easier experience.

They won't call and hire you if they don't know you cater. It's good to have a business card or flyer that goes in the bag with your food, making it easy for the consumer to know that you cater and to contact you.

JA: How can a food truck owner spread word of their business?

MG: I think every truck should be really involved with social media. One of the things that I'm always surprised about is that many food trucks don't take the time to make really great pictures. Pictures of their truck, their food, people smiling eating their food, pictures of them in front of their truck — pictures, pictures, pictures.

The food truck industry has kind of migrated to Instagram. Instagram is very picture heavy. So it's really important that they have a social media strategy that includes great content and then execute that strategy. One of the things that seem very successful is integrating your social media platforms with a traditional PR company.

Obviously a traditional PR company can be a lot more money, but they can get you access to very well-read blogs, food articles, all of that. It used to be when a food truck would launch, they would get 1,000 followers in the first week. Now I see trucks launch that can't get 1,000 followers in the first two years. But with a traditional PR campaign that includes newspapers, popular blogs, you'll see their social media accounts really benefit.

JA: What's one important thing for new entrepreneurs to consider before opening a food truck?

MG: The first question that every food truck should ask is what do you want from your food truck? If your goal is to have one food truck for your entire life, just working that food truck, I would say don't do it. It's a really hard small business to run. You're at the mercy of a lot of regulatory agencies, depending on your region. A lot of organizers who control events. And you've got to wake up in the morning, go source your food at a Restaurant Depot or Sam's Club, prep your food on your truck, find a space. All of it leads to very long hours.

Typically because it's more of a micro business, the owner operator is the guy that's doing everything. After when they're all done prepping, serving food, serving lunch, getting back, re-prepping, doing dinner, getting home, then they've got to answer all the emails. People that want to cater them. Where are you today? That is very difficult.

So you want to lead to something else. Do you want two, three, four trucks? Do you want to do a truck that turns into a brick-and-mortar? If you want to do a truck that turns into a brick-and-mortar, make sure you keep really detailed location info. At the end of the year, you should be able to tell an investor where you sell the most chicken and where your customers love you the most.

JA: How do you find the right truck for you?

MG: Search for builders. I wouldn't do Craigslist. When you're looking for a truck, it's important that you see who built the truck, who's going to service the truck. Was it a UPS truck or a FedEx truck that got converted into a food truck? If that's the case, what's the flooring like? The weight distribution of a UPS truck or a FedEx truck is very even across. But in a food truck, all the weight is on the side. Did they

reinforce the sides of the platform, the floor to ensure that it doesn't start to bend over time?

When you're buying a food truck, simply buying somebody's used food truck with no understanding of the services that are going to be required to upkeep that thing is a mistake. Buying it from a builder that you can trust is a big deal. FoodTruckIndustryReviews.com is a site that gives you reviews on food truck builders, organizers, locations, point of sale systems, all that stuff.

It depends on your concept too. That's part of the reason why you develop your concept before you even think about your truck. You want to make sure whatever truck you get is going to work with your concept. Some people have to custom-make their truck because the trucks that are available are pretty standard: grill top, fryers, maybe a couple burners and a steam table. If you need an oven, it's not going to work for you. The more your cuisine is friendly with the standard offering in a food truck, the less you're going to have to customize and the more options you're going to have.

JA: What sort of insurance and permitting do food truck operators need?

MG: They need general liability. They need the insurance to drive the truck. You should really think about how easy it is for your insurance company to get you additional insurance certificates. If you want to go to a business park, some insurance companies can turn that around in two hours. Some will take two days and they're going to charge you a bunch of money for it. It's really important that you think about the additional insured requirements.

As far as permits are concerned, understand that you're a

mobile business. I know food trucks that have four health permits and 12 business licenses because they got to go all over Southern California. What are you going to need to do in order to be compliant in all the places you want to do business? It's a matter of reaching out to the local municipalities, the regional governments and the regional enforcement agencies to make sure that you're compliant.

JA: What is the total startup cost for a food truck?

MG: \$50,000 to 200,000.

JA: What are some of the pros and cons of starting a business on wheels as opposed to a traditional brick-and-mortar business?

MG: The cost is a big thing, but also it really operates as an incubator business. You're not all in. You're not building some restaurant space with a concept you have no idea if it'll work for that particular area. Concepts are weird. I mean I know some food trucks in L.A. that do really, really well on the West Side and don't do well on the East Side. If there is a place that doesn't do well, you don't have to go back there.

And then from a catering perspective, food trucks really create an experience. It also ties you to your customer better than I think even a small quick-serve restaurant does. I always say restaurants have customers and food trucks have followers. There's a little bit more that a customer has to do to track down a food truck. It kind of creates a stronger bond.

Restaurants fail at an alarmingly high rate. If I'm a chef and I have an incredibly innovative cuisine and I have to go ask you for a million dollars to launch it, you're going to be really nervous about it. Food truck brands are getting more

innovative, more interesting, and they can do that because the lower barrier to entry.



Stacey Jischke-Steffe is the co-founder and president of the American Mobile Retail Association, which launched in 2013. It started as a regional organization in 2011 in Los Angeles called the West Coast Mobile Retail Association. It began when Jischke-Steffe and her business partner, Jeanine Romo, were running their mobile retail business, Le Fashion Truck, but didn't know where to turn for support or resources. They tried to join food truck associations, but to no avail. So they began their own organization. Now, they serve retail trucks nationwide, as well as in Canada. Currently over 100 businesses are members of the organization. The organization also provides a comprehensive checklist for entrepreneurs who are interested in getting started in mobile retail.



James Altucher: When you first started your business, what gave you the idea to do a retail store on wheels?

Stacey Jischke-Steffe: I had been in business for myself since 2008 selling vintage. I did really well on my online store, and I started doing little festivals and fairs around Los Angeles. It was a lot of work. I really enjoyed being out at these different festivals and fairs and farmer's markets, but the labor side I was not attracted to. And I had already explored going into a storefront and they were just astronomical. I remember visiting the storefront that I absolutely fell in love with and they wanted like a \$15,000 deposit, I had to sign a five-year lease, the rent was

going to be \$5,000 a month, the place needed so much work, the landlord obviously wouldn't put a penny into it. You got it as-is and then you had to do all the work.

I was thinking to myself, "There has to be an easier, more fun way. I know there's something out there where I could get a space for myself." I was at an event one day when a food truck came through and it just had this long line of followers. And I just fell in love with the concept of being mobile, with the ability to move around to all these different neighborhoods in Los Angeles, that you could actually still get on to really great prime real estate, you just didn't have to pay the prices. And my wheels just started spinning. I said, "Well, why not put a store on wheels? I won't have to pack and unpack my car, I'll just pull the truck up and people can come in and shop."

So it was actually more out of convenience than anything else.

JA: So what were the first big steps?

SJS: We started looking at trucks and basically just scoured the internet looking at lots of different recycler apps, Craigslist, everything else. We went and drove a handful of them. We looked at RVs, trailers, a variety of different vehicles. When we saw our truck, the guy was selling the truck for about \$3,000, and we both just fell in love with it.

That was within our budget and we did a lot of do-it-yourself. We barely hired anyone to do anything for us, we did a lot of it ourselves to keep costs down because we were working just with our savings.

So we purchased the truck and one of the challenges was learning how to drive that thing. And then figuring out how much everything was going to cost us, because at that time, there was nothing to compare it to. We were liter-

ally creating the wheel. We just kind of winged it. Like, "Okay, what do you want the design to look like?" Actually, though, we worked very aggressively. From the time we started the planning process to actually opening our doors was a three-month period.

JA: What was your total startup cost?

SJS: I would say that the first about eight months, we invested about \$18,000. Today, according to findings, it's safe to say that it costs about \$20,000-\$25,000 to start your own store on wheels, including your startup inventory.

JA: Aside from the truck, design, and inventory, what are some of the other startup costs that people need to consider?

SJS: All of your displays. Also I would say, purchasing a point-of-sale system. Getting insurance was about \$2,400 for the month and you had to pay up front. We had to pay liability insurance, auto insurance, and commercial insurance. Obtaining our business license permit and peddler's permit. Peddler's permit was about \$1,000 for the year, the first year. Registration of the vehicle itself was about \$500.

Sometimes your truck might need a little bit of maintenance. So for example, we only spent \$3,000 for the truck, but we spent an additional \$3,000 rewiring the whole inside of it, changing the tires, getting the brakes done. The paint job and doing the vinyl wrap on it — all of that was about \$3,000.

And then all those small little details: buying hangers, bags, tissue paper, cleaning supplies, office supplies.

JA: Where can people buy a truck?

SJS: We found ours on Craigslist. Or go an auto trader website,

for sure. If you live in a big city, look outside of your city limits, because trucks are going to cost a lot more in the city limits than they are on the outskirts. So for example, in Los Angeles, you're going to pay about \$12,000 for a set van, but if you go about two hours north, outside of LA, you're going to pay about \$4,000, because the prices are just lower.

We actually have a classified page on our website where we have about a dozen fashion trucks for sale right now, so you can actually buy a truck that's already been converted for about, depending on the price tag, anywhere from \$25,000-\$50,000, just depending on what they're priced at individually.

I think that if you do buy it from a bigger company that's owned it for a long time and has all the maintenance records, you're in a lot better hands. Even if you have to pay a little bit more, it's totally worth it. But you should always have in your back pocket a good tow truck and a good mechanic.

JA: Let's talk insurance.

You need commercial, liability, and auto. It really just depends, too, on every state's requirements, but for ourselves, those were the three that we had to do. A lot of insurance companies actually won't insure these vehicles because of the liability aspect of it, so to my knowledge, there are only two in the entire country that have created a policy specific for mobile stores. The first one is Thum Insurance Agency. And then the other one is called Stratum Insurance.

JA: How do you determine where you can park and set up shop?

SJS: That depends on your laws. In Los Angeles, you're restrict-

ed to being on private property. They do not have a permit that allows to you to park on public streets themselves. There are other cities that will allow you to have what's called a peddler's permit, and then that would allow you to sell on public streets, where you would literally just park on the side of the street, open up the doors, and sell, according to their guidelines. Everyone is going to have rules. So it really just depends on each location.

Go look at your city laws. Call and tell them, "I want to open up a store on wheels, what kind of license do I have to get? And do you have a permit that I can get that allows me to park on public streets?" And they will tell you exactly what you have to do and what you can and can't do.

And then from there is when you start building out your business and going, "Okay, based on the rules and regulations the towns that I want to operate in, these are the ways that I can operate, so this is how I'm going to structure my business."

JA: Did your business take off right away or did it take some time?

SJS: What we noticed was our demographic was not what we thought it was. We saw that the audience that was attracted to a mobile store skewed older than the product than we were carrying. So it took us about a two-month period to revamp that aspect. We re-did some of the inside of the truck after a few months, revising sections that weren't making money for us. I hear from a lot of people that get so stuck on wanting to make the inside perfect, and I tell them, "You have no idea the results you're going to get until you open. And that's okay. You just revise accordingly and you keep up with your clientele."

So that's what I tell people: For the first three months, just observe and make notes after every single outing. How much money are you making? Revamp it, get rid of it, revise it, whatever.

JA: What are some areas of oversight that first-time mobile retailers should consider?

SJS: I think a lot of people get into this business model because they think, "Oh that looks fun and easy." It is fun, but it's not easy. If you are brand new to retail, I think you definitely need to educate yourself on retail 101 basics. Buying, selling at a retail level, how to do a markup. A lot of people end up shorting themselves and not making a profit because they don't know anything about retail. So if you don't know anything about retail and you're going into this business model, I would suggest something to get yourself a little bit in the know of retail, because there's a lot to know, whether that's taking some courses, getting a retail job, shadowing a fashion truck owner.

JA: What are some of the biggest pros and cons of mobile retail?

SJS: I think that a pro is lower overhead, but that's not to say that you don't have an overhead. You have gas, employee expenses, inventory, maintenance fees. When my truck was in full operation every single week, our monthly overhead was a minimum of \$2,000 a month. So while it is lower, you definitely still do have overhead.

One of the pros would be that you do get to go into higher real estate areas, like Santa Monica, let's say — where I couldn't afford a storefront, but I can afford the permit that allows my mobile storefront to go there.

A con would be not all cities have adopted laws for this yet.

So you still do find that there are areas where [they won't] license you. That does happen every once in a while, but for the most part, cities are willing to work with people.



Joshua Pyland is vice president of The Party Bike, a company that builds and manufactures party bikes for entrepreneurs to start their own businesses. The Party Bike is run by Atek Customs, a company that specializes in “if you can think it, we can build it.”

The mobile bicycle bar phenomenon started back in Holland, a flat country with a low drinking age and a large beer culture. Atek was contacted by a man in Bend, Oregon, who showed them a YouTube video of this cool European contraption and asked, “Can you build it?” The company used the YouTube video to build their own design from scratch. Their party bikes sell nationwide.



James Altucher: What are the first big steps that somebody needs to consider when they want to start a pedal bike business?

Joshua Pyland: The first step is always to talk to the city, the state, across the board, federally. These are very easy to do. The federal government has some simple things about alcohol being on board, but ultimately, where it comes down to is the city. If the city wants to encourage this kind of business, they have laws put into place that allow for this kind of thing. Typically, limousine laws are already in place. Obviously it's a bicycle, so there's not really a clear, defined way, but as they get more and more popular, there will be more and more cities that strictly allow them.

So you go in, you want to start the business, you talk to the city. Then after talking with the city, a lot of people get whatever permits, whatever insurance requirements. These vary widely from city to city. Some people want them to have taxicab licenses. It's all really about what the city requires you to have.

Once you've met those requirements, then the next step is to just go out and network. Go meet the bars you're going to stop at. Maybe find one that's really your big partner where start and stop all your tours. It's a great way for the customers to park in their parking lot, go in, get a beer, come out, ride your bike and then you stop at multiple places along the way and then you end there.

JA: What makes this an appealing business for first-time entrepreneurs?

JP: It's great because you can get out of as much as you put into it. Like any other small business, it's how hard do you want to work? The bare bones of this thing is simple. You need a website to manage your tours, you need some social media presence, but ultimately, once people see it, they get it. So it doesn't require a lot of marketing to get this up and going.

It is a hard business. There are people that have failed doing it and the only people who are incapable of running one of these bikes are people who are unwilling to put the time and effort in. If you're dedicated to this business, it will pay out and it will reward you for that. But ultimately, it's only going to pay out as much as you want to put into it.

JA: What are some of the big challenges a party bike operator might run into and what are some of the things they should do to avoid them?

JP: A lack of research seems to be the most common failing. They

purchased the bike, they didn't talk to the city and they just assumed that they could just roll out on the street without notifying anyone. We've had multiple people try and start that way who ultimately ran into problems with the city. They didn't have the proper permits, they didn't have the proper insurance, they weren't technically legal to be doing what they were doing. Another common failing that people run into is just simple unpreparedness. They weren't ready to work late nights, they weren't ready to work long weekends, they weren't ready to give up that time. Some people underestimate the amount of time and effort that a small business takes.

JA: What kinds of insurance do party bike operators need?

JP: Liability. There are not many insurance companies that do this right now. There are really only one or two companies. It'll take some time for the competition in the market to come back for that.

This unfortunately means that those insurance companies, the few that actually do insure these, can write their own tickets. So insurance costs can vary widely. Now, we have created a simple way to get around that. A lot of our bikes can be licensed as limousines, which there's a large market for insuring. This is a great way to bring the cost down. There are some small modifications like a windshield and seat belts that have to be added to the bike. You go to your state and you talk to the MVD or the DMV and you say, "Look, I've got this party bike that is going to be registered as a limousine." And there are of course legal requirements. Once you've passed all of those requirements, it is, in the eyes of the state, a limousine. Then finding insurance is a walk in the park. There are a lot of companies that offer insurance for limousines.

That helps bring it down, but typically, insurance is the num-

ber one cost that any small business would have to look at before getting into this. If you're going to insure it as a party bike, it is a large factor into your profit.

JA: How does providing alcohol onboard work?

JP: It depends on the different businesses. A lot of the businesses run where they don't supply any alcohol. This helps their insurance costs come way down. They don't have to have a liquor license. A lot of them only take you to the place where you can purchase the alcohol. Depending on the state, like in Las Vegas, a lot of times it's legal for them to have an open container. So in an open container state, it's fine for them to bring their beer on. They buy it at the grocery store before they come and get on the bike. Those people seem to be the most successful, the ones who have alcohol physically on the bike. Those guys stay in business. It is a huge part and it cannot be overlooked. The whole point of it is to have a beer while riding down the road.

JA: Is that only permissible in states that have open container laws?

JP: Not necessarily. There are certain cities that write special laws in. If it's licensed as a limousine, then it's a very easy thing. You're behind the driver, you're clearly not driving the vehicle. If it's not registered as a limousine, then it's all about your state's laws and your county laws and your city laws. Each one of those levels plays a part in whether or not you'll be allowed to or not.

JA: What can someone expect to pay in startup costs for a business like this?

JP: It depends. It's around \$50,000 for a party bike. And then I would estimate that you're going to put in at least another

\$10,000 in insurance down payments. If you partner with a brewery, a lot of these breweries have large storage places that will store the bike for free, as long as you put their sticker on your bike. I would estimate anywhere between say \$60,000 and \$70,00 for a reasonable startup cost.

JA: What's the advantage of starting a party bike business as opposed to brick-and-mortar?

JP: What's great about party bikes is that they're a social experience. It's great for downtowns because it circulates so many people, so the towns love them because now there's less drunk driving, there's less drunk people out wandering the streets. They're all kind of contained on this bike with a sober driver maintaining them and helping get them from place to place. There's something about it that's just inherently fun.

Make It Big: Cash in on Food Without Learning to Cook

Chefs are celebrities now.

Bobby Flay has something like five different TV shows and his name is on restaurants around the world.

Mario Batali is so famous for his orange shoes that he has a bunch of restaurants scattered across New York and even set up his parents with one in his hometown of Seattle.

It's even the same thing for Thomas Keller, the founder and chef of The French Laundry in California, Per Se in New York and a few other high-end, super expensive and exclusive places. He isn't TV famous like Bobby, but he's still a celebrity in his own way.

It's gotten so bad — from TV shows like “Top Chef,” to “Chopped,” to books, newsletters, videos, magazines and more — that it seems like the only way to make a living in the food business these days is to be a chef.

A great one.

A famous one.

The kind of chef that someone will want to make a TV show around.

But that's just not true. In fact, now there are more ways to make it in food than ever before. It's becoming just like any other industry — food is the platform that you can use to launch your own thing, whether it's your own business, a side hustle or even

a new career. You don't even need to be a good cook to get in on this. Here's how three people did it.

DELIVER IT

When Zach Buckner first started the company that would become grocery delivery service Relay Foods in 2010, he was working as a small business consultant, helping startups get off the ground and gain traction in their markets.

He had no experience in food and first noticed the opportunity when he realized that he could set up a freight network to deliver goods faster, cheaper and more directly than the big grocery chains could. Relay Foods raised more than \$13 million before merging with Door to Door Organics in 2016, and the combined company has annual revenues in excess of \$50 million. People really, really like the convenience of grocery delivery.

Game Plan:

- **Brainstorm.** Determine what people in your immediate area might need (or want) delivered to their door. Amazon is quickly stepping in to fill the general grocery void, but there remains opportunity in niche markets like pet food, diapers, milk and other perishables.
- **Research.** Contact trucking companies and freight haulers in your area and get quotes. Find out how much it would cost to have a third-party handle delivery logistics for you. Then, price out a delivery truck and calculate how much it would cost you to drive it around and deliver yourself — including gas costs, maintenance, loan payments and even how much range you could cover yourself. Limited range will limit how many customers your business can service and how much you can grow.
- **Source.** Reach out to suppliers and find out how much it would cost to get the goods you want to deliver to your customers. If you're delivering milk, talk to dairy farmers and your state

dairy association to find suppliers. Whatever price you're able to secure for the food you're going to deliver needs to be factored into your cost of doing business along with the delivery cost (gas, maintenance, staff, etc.).

PROMOTE IT

According to the National Restaurant Association, there are more than one million restaurant locations open across the U.S. right now, with more than 1,000 opening (and closing) every year. That's a lot of competition for owners, and a huge market for someone with a little Web savvy and an eye for marketing to help out.

Michelle Lehmann, founder of Michelle Lehmann Communications in New York, knew that going in — and got her start in the business in public relations and food journalism. Now she uses those skills to help high-end restaurants tell their stories and build their brands.

Game Plan:

- **Brainstorm.** Every metro area — from the biggest cities to the tiniest towns — has its own little network of restaurant professionals, the people who are opening new places every couple of years and seem to be involved in everything food. Find those people in your town and get to know them. What are they working on next? Where is the action in your area? What can you offer them to help? Research, research, research.
- **Learn.** A boutique agency takes years to build, and the skillset calls for plenty of time in the trenches, getting to know the ins and outs of the food business. Start today. Set up an Instagram account, if you don't already have one, and start posting photos of your food every day. Follow others who are doing the same. Figure out what works and what doesn't. And get to know the PR and journalism world. Read everything you can get your

hands on in the world of restaurants and food pros. What are they doing and how can you do it better?

- **Package.** Restaurant promotion is a hazy business; a combination of storytelling, PR, media relations, social media, outreach and more. You have to do it all, and do it all well. That's why the best promoters know how to package the various aspects of the work they do into "products" that potential clients can wrap their heads around, like a "starter package" that includes three to four services, a "founders package" that includes five to six services and a "mogul package" that has it all, for example. Get creative and make it easy to understand and price out.

SELL IT

Pete Marczyk left a lucrative career in financial services when he opened Marczyk Fine Foods in downtown Denver in 2002. The reason? He liked to eat and was tired of driving all over town to find the ingredients he wanted.

More than 15 years later, his risk has paid off and the store is on track to open its third location later this year.

Game Plan:

- **Brainstorm.** The great thing about food is that everyone on the planet, literally, has to eat. We're not going to stop eating. Ever. But some people like certain foods, and some don't. What's available in your area? What's popular? Where is there room for a new option? There is a reason that every small town has at least one Asian market. It's because those markets can source products that are difficult to find anywhere else, and they have a network of customers who will be loyal. What does your area need? What will the locals buy?
- **Research.** Marczyk didn't know the grocery business before he opened his store, but he did know financial research — and spent many months digging into the industry and learning ev-

everything he could about it. How are future competitors doing? What are their pain points? What are industry margins like? What is the industry as a whole struggling with?

- **Build.** If a brick-and-mortar shop is your vision, prepare to be involved in everything, from managing the contractors, to designing the space, to hiring the staff and sourcing the food you'll sell. Too much? Go online-only and create a niche market for hard-to-find foods that you can ship directly to your customers.

Podcasting 101: How We Create “The James Altucher Show”

By Pamela Rothenberg

“The James Altucher Show” is one of the most popular business podcasts in the world.

Every month, more than one million people download and listen to it, and we’ve hosted amazing guests ranging from Tony Robbins, to “Shark Tank” star Daymond John to Sara Blakely, the first self-made female billionaire and the founder of Spanx.

The show is a great success, and it’s something we’re all very proud of, but none of this happened overnight. It’s been a long (but steady!) growth, and we’ve learned A LOT about the podcasting business along the way — everything from creating a concept to executing and, of course, growth!

Here’s how we do it.

Step 1: The planning

It starts with an idea from James.

Normally he’ll be in a bookstore or reading a bestseller list or an article, or he’ll bump into somebody, and then the next thing I know, there’s an email for me with whatever guest he has in mind.

One thing we always try to do as the podcast has progressed is stick to our message. We look for guests who line up with

James' vision of "choose yourself." We look for people who are strong, real-life examples of choosing yourself — people who have created their own success.

I also actively look up guests who might be "gettable."

- Do they have a book that just came out or that's about to release?
- Are they working on a project that they want to promote?
- Do they have a product or podcast of their own they would want to talk about?

Once I get the potential guest's name, it goes into a research database. Then I try to find a contact and figure out what persuasion technique I can use to get them on the show.

I also keep in touch with publishers to find out what they're promoting. The idea is to match up our agendas. I tell them why coming on the podcast is worthwhile for them long-term. That's important because a lot of guests are focusing on short-term. I remember I started using that angle with Arianna Huffington. You have to think of "What's their biggest objection?" "Why will they say no?" Then use that.

In the pitch I'll tell them what the show is about, some of the previous guests we've had, and, most importantly, why we think that they would be a great fit.

I say, "I believe in your message. It resonates with our mission." Then I give a specific example to show I did my research.

I try to personalize every letter. I'm always looking for a different spin on how we can get someone to say "yes." People can sense authenticity. I think that's the key to landing great guests.

A lot of the times, I'll reach out to someone, and they'll say, "Oh, I'm not the right contact for this, but try this person." So one important tactic is staying organized and being persistent. You have to follow up. Make sure your contact has the authority to give you a definite answer. The guest themselves is ideal, but you

can't always reach them, so you often have to work with their representatives.

Sometimes the research and persuasion phase can take up to a year — or as little as 24 hours. It really just depends how quickly we can get someone's interest, if we have the right contact, and if the idea lines up.

Hopefully we get a "yes," but some people do say "no." James always says a "no" means "not right now." We've had people who have said "no," and then, a year later, they're on the show. Maybe the timing is better for them, or they have something new to talk about. It's about persistence and patience.

But it's an ongoing process. I have more than 40 potential guests on the list right now that we're in contact with, working out details.

Step 2: The preparation

Once we get a "yes," James will start his research.

If he's already read their books, he'll re-read them. He'll listen to other podcasts they've been on to see what's already been covered and try to find questions no one has asked. Or he'll listen to a conversation and say, "Oh, you know I wish this would have been a follow up question."

He might tell that story on the show and say, "Hey, you told so-and-so on their podcast X, Y, and Z story, and I really wanted to know about this and that." It's a great way to take the conversation to a deeper level and set our podcast apart from the crowd.

James does all the research himself. He really wants to be as prepared as he possibly can. And I admire that.

Step 3: Booking the studio

For me, the next step is scheduling with the guest and the studio to record the episode.

Originally, James did all of that on his own. Back in those days, he was recording in his closet. It was his makeshift stu-

dio. When some people start a podcast, they think they can just record it in their office or bedroom or wherever, but they don't realize you need to be in a space that absorbs sounds and doesn't have echo. James' closet had carpet and all his clothes to absorb the echoes. The sound quality was still terrible, but it was better than a lot of other people just starting out. Plus, he had the talent and the guests. There are two types of production: creative and technical. If you have to prioritize in order to get started, then focus on creative production first. Technical second.

When I came onboard, we moved technical production to an NYC recording studio. I like to think we made a dedication to our listeners. And it's important to live up to the quality they've come to expect.

Some people can't make it to the studio we use in New York for the taping. So I'll research studios near the guest and book it for them. We did this with Ron Paul. I coordinated studio arrangements near his location, scheduled the podcast session, and then Ron Paul just showed up to do the interview. The engineer over there recorded it and sent me the file, our engineer recorded James in the studio in New York, and we combined them into one episode.

Costs can vary. If we're doing an hour in the studio, it might cost \$150/hour, which includes the engineer. But some studios have two-hour minimums, so it really depends. A lot of these studios are used to recording bands, not podcasts, so they have really long minimum requirements. The studio we use now wanted us to commit to five-hour blocks, but I explained that we would be there three or four times a week recording for an hour or so at a time, and I was able to convince them to do shorter sessions for us.

I'm keen on getting a bargain. See if you can use loyalty as a reason for discount.

Step 4: The interview

James has such a skill in empathizing with his listener, and he tries to bring that to every episode. If the person he's talking to is discussing their success, James always wants to dig into the listener's perspective. He'll say, "OK for the listener right now, who's sitting in their cubicle and saying, 'I wish I could do what this person's doing,' what's your advice for them? How can they do what you're doing?"

Then he'll hone in even further. It starts out with, "What's your advice?" and it moves into "What can they do right now?" "What's the first step?" He always wants to deliver an actionable step, because this is what will help the listener the most.

Some shows ask, "Who influenced you the most?" For us, that's not helpful because I can't go out and be influenced by the same people. I can't go get the same high school basketball coach or go up to that person's mom and ask them to guide me in my life. It might have worked for them, but it won't work for me.

So James really sticks to the advice that is most transferable to all people. That's one of the really unique and powerful things about our podcast.

Step 5: Editing

Once the episode has been recorded and I get the files back from the engineer, I send it to our freelance editor and he cuts things down and inserts the advertisements and podcast preview sections for us.

If you want to get technical, the studio records the interview in two separate files: They record James as one file and they record the guest as another file. We have them record what's called a wav file, which is higher quality than an mp3. And the engineers use a software package called Pro Tools to put it all together.

In general, though, James' rule is just to keep it as raw as

possible. He wants to keep the “ums” and the “likes” and all of that in there. It sounds strange, but I think our show is a lot more personable because of it. When you listen to everyone messing up, you're better able to see their train of thought and you can kind of get lost with them. I think there's something about that that just makes listeners feel more creative and engaged.

It's more personal, less polished.

Step 6: The promotion

This is probably one of my favorite parts of the whole process. It's when I sit down after each episode is recorded, and just listen for the parts of the interview that I think are most helpful to the listeners. Then I'll have our editor turn it into a separate audio file, which we then share on social.

Some podcasts (or TV shows, emails, articles — basically all media) try to leave you on a cliffhanger. They want your click. So if they make an ad for the podcast, they'll pull a clip and then say, "Listen to the episode to hear what happens next."

But we don't do that. I'll listen for the part of the interview that I think is the most helpful or the most intriguing. I'll have our editor clip that out and turn it into an advertisement.

We try to make everything as shareable as possible. If we have this little YouTube clip that has some great insight into a highly relatable issue, and we post it on Twitter and Facebook or wherever else, then it's helping people. It's adding value. And more people can forward it on. And we grow.

I always think of it as, “What happened in this interview that I would want to tell my mom about, or that I would want to tell my best friend about?” That's what gets shared. That's what real — not just hash-tagable or click-bait.

After these marketing pieces are developed (thanks to a handful of team members — it's certainly a collaborative effort), the show gets uploaded onto a podcast hosting service (there are a handful to choose from).

From there, it all gets uploaded to the various podcast platforms. The podcast hosting service syndicates it out to Apple, Spotify, Stitcher, and so on. That's how it ends up on your phone.

Step 7: Advertising

After we started including advertising on our podcast, we learned that it's something that you really need to look after yourself. Just because you hire an ad agency doesn't mean that everything's going to magically take care of itself and the income will just start rolling in.

We work with a company called Midroll, which is a podcast advertising network. It definitely takes a lot off my plate. They make the deals with the advertisers. They source the ad copy themselves and make sure we're paid. They take a cut of course, but it's fair. I always keep an eye on sales to make sure we're getting enough ads for all the episodes we're releasing. It's important to have good relationships with anyone you outsource to. You don't want to get lost in the crowd.

The alternative to this is to create the relationships with the advertisers yourself, which is something we've considered. But it's a lot of work and a lot of extra effort that we just aren't ready to take on right now.

A PODCAST TO BE PROUD OF

James talks about how he has this vision for the podcast, and the vision always comes back to the original message of choosing yourself and making the most out of life.

For me, I want the podcast to help people get unstuck in their professional and personal lives, and James does too.

That means the bigger goal is to get the podcast into as many people's hands as possible, and we do that by making our podcast more and more valuable to the listeners.

I don't put a lot of focus into things like, “What hashtag

should I use to promote this?” or “How can I market this to get this everywhere?” Our strategy is simpler. We just focus on having great articles around the show, featuring great guests, having real conversations and giving people an escape.

This show helped me so much before I started producing it. It was a lifeline for me. I always felt I was given an “aha” moment. There’s something about it that just makes the dust settle.

Our goal for the future is to keep growing and keep helping more people.

It’s funny. I didn’t even notice how much we were growing, until one time our editor sent over an email that said, “Hey guys, we just hit a million downloads for this month.” And ever since he sent that email, we hit a million downloads or more every month. That’s a lot. James used to get 100,000 downloads a month when he first started, and even that was amazing.

And now it’s more than a million. I look at that and ask, “How did that happen?” Data will say one thing, but in my heart it’s because we focus on people.

A podcast takes work, but if you’re focused on the right reasons for doing it, if you’re in touch with your mission, then the pieces just fall into place.



Funding a New Business Is Impossible, Until It Isn't

I would lock myself in an old office that was being used as a storage room.

Sometimes people would knock on the door. I don't know why. Maybe they needed a stapler. They would try to open the door and even try to force it open.

I left it locked. I was on the phone with a client.

This was while I was at my full-time job at HBO. The client was American Express. My brother-in-law and I were doing the website, AmericanExpress.com. It was our highest paying job to date.

I knew nothing about business. All I knew was how to make websites. This was the end of 1995. Nobody really knew how to make websites back then.

My brother-in-law had been in business doing CD-ROMs for companies. To be honest, I don't even know what those are anymore. Like, what does the "ROM" part stand for? I don't know. I went to graduate school for computer science; the fact that I don't know this can explain a lot about why I was thrown out.

But I knew how to do the software for any website you can imagine. And my brother-in-law was a designer.

There was no WordPress back then. And no hosting companies. Everything was a little harder than it is now. So we charged a lot of money.

But I was scared. I didn't want to leave my safe job. I got a steady paycheck. And things were going well for me. My title was "Jr. Programmer Analyst" and I had a feeling I would get a promotion soon to "Programmer Analyst."

American Express paid almost \$100,000 for us to do the website. About \$20,000 of that would be mine. My salary at HBO: \$40,000.

After we did that website I took a bag of cash and moved into Manhattan instead of where I had been living (Astoria, Queens). I moved into a run-down hotel called the Chelsea Hotel because I didn't want to deal with buying furniture.

I also liked the idea of living in a hotel. I remember reading that Jack Kerouac lived in a hotel when he moved into New York City and was writing *On the Road*. I wanted to be like him.

We started getting more clients: Con Edison, Time Warner, Miramax, Sony, Warner Brothers, Interscope Records, BMG, and many more.

I still didn't want to leave my job. I got that promotion. My parents took me out to dinner to celebrate. My new salary: \$48,000 a year. It was a nice 20% raise.

One time I had to dress in a suit. So I changed in the bathroom in the New York Public Library across the street from work. Then, on my lunch break, I went 30 blocks to visit Con Edison and pitch them our services.

They were working on an internal website to deal with Y2K issues. Note: They were (and are) the company that provides all electricity to New York City.

I asked them, "What are you guys going to be doing New Year's Eve 1999?"

They all laughed. "We're getting out of town," the director of the group said. And they all laughed again.

We did that website. \$15,000.

For the website for the movie *The Matrix*, we charged \$120,000.

For Con Edison, we did many more websites. \$20,000 here. \$30,000 there.

Finally, we had enough clients and employees (about 15) that I decided that I needed to leave my job if this company was going to grow anymore.

I gave up my safe salary.

And then reality hit...

What a disaster that first day was. The first day I was at work, one of our largest clients cancelled their biggest project. I thought it was going to be a several-hundred-thousand-dollar project.

I said on the phone, "Steve, I just quit my job because you said this was a done deal."

"What?" he said, "I never said that." (He did. I did.)

As I mentioned in a previous chapter, I went for pizza. I was pretending to analyze the pizza menu when the waitress asked, "Are you crying?"

"No," I said. (I was.)

Then my friends at my old job had a dinner for me that night to celebrate me being an "entrepreneur."

I ordered pasta and French fries. Someone laughed at my starchy order. "I never saw that before."

And then I started crying and couldn't stop. I had to go to the bathroom. I was embarrassed in front of all of my friends who had thought I had done this great thing. I had ESCAPED from the grind. I was DOING IT in AMERICA.

Nothing I planned for turned out how I wanted. Still, the business did well. I had waited until there was a solid buffer of business — so even though we lost that big client, I had many clients still left.

And I put together a plan to start firing people. I was scared all the time that we were going to lose clients that I had to know what I would do.

I would wake up at night thinking, "There are only six months

of payroll baked into our revenues. This is BAD!”

I would worry all of the time. I still worry.

Raising money is hard

The goal of the entrepreneur is not to take risks that nobody else will take.

The goal of the entrepreneur is to create a sustainable idea that will help people enough that they will be willing to pay for it.

Some people write me and say, “I have this great idea! How do I get venture capitalists to return my calls so I can quit my job and do this idea?”

The answer is: You can’t.

Several years after my website company, I was starting another company. It was a “wireless software” company. I still don’t even know what that means.

But it was when times were flush. 1999. It’s the only year in my life where money was falling from the trees.

So I raised money. I raised \$30 million.

Within about six months, I had spent all of the money. I was thrown out as CEO. I was kicked off the board of directors. I was diluted down until I wasn’t even a shareholder anymore. Eventually the company sold at a huge loss for everyone.

The entrepreneur’s real job isn’t what you think it is.

Most companies don’t work out. Even the smartest investors in private companies know this: 85% of companies in a venture capitalist’s portfolio will either fail or produce negligible or negative results.

I have never seen anyone avoid that 85% number although I’ve met A LOT of people who claim they can do it.

No matter who you are, no matter what your background is, no matter what your skills are, there has to be ways of mitigating risk.

An entrepreneur has to handle the needs of customers, em-

ployees, potential investors, partners, etc. So the main job of an entrepreneur is to convince everyone that it is safe to do business with you. To mitigate all risks.

There are always examples of huge companies that raised a ton of venture capital money before they had revenues (Facebook is one). But this is very, very rare. Probably less than 1% of all companies start out this way.

Here’s how you mitigate risk:

- **Customers.** As the great Mark Ford once told me, profits are the purifier of a business. A business is just simply not a good idea until there are profits. (Again, there are exceptions, but they are rare.) And profits come from customers.
- **Profits.** A customer has to be profitable. We would charge \$10,000 for a website but initially it was my brother-in-law and me working all night in our apartments doing software and design. Essentially, the cost to us was free (our time) and the \$10,000 was profit. This is almost a stupid way to think about it (obviously our time had value) but we were able to use that \$10,000 to hire people and build and so on.
- **YOU are the head of sales.** Everyone in a startup has to be selling all the time. I would ask everyone I met if their company needed a website. I’d go out of my way to meet people just to find out if they needed websites. Some people applied to work for our company in “sales.” I didn’t hire any of them. Because it typically takes salespeople six months to a year before they fully are able to sell what you offer. And we only had six months payroll in the bank.

So in order to protect my downside I’d do most of the

sales. And I'd outsource the software I was doing. With the software I could easily see what the cost versus the profit was so it was easier to scale up or down, whereas sales is more nebulous.

- **Only hire when you are desperate.** I was working probably too much. Software, sales, project management, client follow-up. It was only when I couldn't handle it anymore (too many clients, for instance) that I would hire someone. But I was scared every time. Every new hire could be the one that could be "too much."
- **Follow up.** I was always asking clients what other projects I could work on for them. I was always doing favors for clients above and beyond the call of duty. Heck, I was practically a therapist to some of my clients. One guy would call me at three in the morning because he was scared he was going to lose his job and didn't know what to do. I'd talk to him for hours.

It's scary to be in business for yourself

You can't leave the job at work. My wife at the time felt that business was my "religion" and it was more important to me than family life.

At the time, she might've been right. I don't know. But I was always afraid to go out of business, even when things were going well. My only job was mitigating risk.

Much later, I started two more businesses that didn't require any money to be raised. One worked out OK (it paid my salary but never more) and the other I sold for a nice amount.

In both cases I had minimal employees and every day was profitable from day one.

Again, not every business starts like this. And some businesses do require capital to get started.

But most don't. And even if you are raising money, the most

important thing is to show how you are protecting the downside and covering all of your risks.

It took me almost two years before I made the leap to my own company. But I'm glad I waited. I've been an entrepreneur ever since but I am NOT in favor of taking risks for myself. Unfortunately, the times when I did take risks did not work out for me. I guess that's why it's called "risk."

And I'm not alone in this. We spoke to many other entrepreneurs about how they got started and what capital they needed and what their initial stresses were. Here are some of their stories.



KA KEI HO, FOUNDER OF GRAPHIC DESIGN AGENCY KAPA99

- Leveraged \$50 to play professional poker (at age 15).
- Used proceeds from poker career to fund new restaurant.
- Then launched graphic design company Kapa99 with \$20.
- Kapa99 has been in business for just over a year, with 15 in-house designers.

On poker: "It took me 4-6 months to fully kind of 'get it' and then, after I did, it took me a year to go from the lower stakes at the time to what you would consider high stakes poker at the time."

On Kapa99: "I was reading Dan Norris' *The 7 Day Startup*, and his business, more than his book, inspired me to launch Kapa99, which needed about \$20 in funding for the domain and for the hosting. He made me realize that you could 'productize' a service like graphic design and sell it per month. He inspired me by opening my eyes to what was possible with WP Curve.

"I found my first clients through Facebook groups. I asked

for advice regarding my service and by doing so I found people interested in the service and willing to buy.

“As you can see, I have started two of my three ventures with less than \$100. If you think about that, it's a testament to the times that we're living in. Persistence and hard work are a prerequisite more than money.”



ANAND SANWAL, VENTURE CAPITAL DATABASE CB INSIGHTS

- Started a hedge fund advisory (with no pre-existing knowledge).
- Used those funds to finance CB Insights.

“I started a company on Jan 1, 2008. Comically bad timing. To survive, we did hedge fund advisory work during the 2008-2009 crisis. We knew nothing about hedge funds or research for them but made it work. We used proceeds from that to fund the development of CB Insights, which we grew for five years to 65 people and millions in revenue with no outside capital. In November 2015, we decided to put more fuel in the tank so we took on \$10 million.”



ANN HOY, BLOGGER AT ANNHoy.COM

- Put any loose \$5 bills in a “rainy day” jar, which she used to create her blog once it added up to \$320.

“In 2012, I had a dream of starting a blog. At the time I was a stay-at-home mom, only working part time tutoring kids after school and doing some consulting for the golf industry and earning \$8,000 a year. But for 20 years, I had read every self-help

book at the library and bookstore and I had learned while taking my kids to hockey and music lessons, I was reading and listening to tapes in my van.

“I couldn't justify charging the cost of a website and hosting for the year to my poor credit card (\$150), so I saved every \$5 bill I got in my change in a pickle jar to fund the blog by the end of the year. I wrote ‘blog’ in pen on a piece of paper and taped it to the jar.

“I didn't tell anyone about my dream. It hadn't come out of the closet yet, but I kept depositing \$5 bills each week and I got so many that I had to wrap them around the inside of the jar tightly so they would fit. I used to hold it in my hands and smile. This was mine, something I had created. When you have three young boys, nothing seems to be ‘yours’ anymore. Everything was ‘ours.’

“I started writing once I started saving, because my dream of that last 30 years (that I would have somewhere to work on my writing) was becoming more possible by the day. I started bringing my camera on walks and taking pictures and forming ideas in my mind that were starting to invigorate me.

“One day I charged the blog to Hostgator on my credit card, and went to count the money in the jar. I had \$320. I paid my visa bill at the bank, and then bought some Christmas gifts for my boys with the remainder. It felt so good.”



JOSH DOODY, AUTHOR AND CONSULTANT AT FEARLESSSALARYNEGOTIATION.COM

- Self-funded through salary from 9-to-5 job.

“I funded my business by paying down debt, then saving up as much of my day-job salary as I could. Then I wrote two books

and got them ready to launch before taking the plunge, quitting my day job, and turning to building my business full time.

“I’m still very early in this. I only quit my job about five months ago, and I’m still building the relationships and content I’ll need to make it really go. I’m hoping to start ramping up revenue in the next month or so in order to stop burning through savings and eventually make a living.”



BONNY MCCLAIN, AUTHOR

- Freelance writes short ebooks for medical professionals, and also blogs.
- Writes each ebook in the timeframe of a few weeks, and sells them at low prices.
- These help to finance finishing a book on Alzheimer’s disease, her first requested by a traditional publisher.

“I loved my work as a medical writer but I always worked for complete assholes. I figured I would freelance and bankroll everything with the business. What could go wrong? My husband is a chiropractor — he made good money. Life was good. And then his boss shot himself in the heart — mayhem and tragedy ensued. No more great job.

“We lost everything except the house. Thanks Obama. No, really. There was a program where your mortgage was paid for a year. The clock was ticking. I traveled the country for speaking engagements (most at my own expense), used media access to get into conferences for free, networked like a champ. Even made it to the White House! Now I write short ebooks that keep the lights on, write manuscripts about health economics, and have two successful blogs. I am using these funds to finish my book proposal — wait for it — requested by the Johns Hopkins Academic Press.”



RYAN BARR, MAKER OF DESIGNER BAGS AT WHIPPINGPOST.COM

- Started Whipping Post with \$300 of own money.
- Got first sale by finding a targeted forum and paying to post in the classified section (about \$50).
- Identified relevant blogs and sent pitches to them for free editorial.

“I was pretty risk averse and didn’t know much about business, so I really just dipped my toe in the water. I then plowed all profits back into the business to keep it growing. Because of this, it took over two years before I could quit my day job and started paying myself a salary, but I’m now in the position where the company has no investors, no debt and does low seven-figure revenue.”



MATT LOTT, ATTORNEY IN PRIVATE PRACTICE

“I know this strategy is really only applicable to service businesses, but start small, like really small, and work yourself up. Don’t rent space, use a cell phone as business phone, have a basic website. When income comes in, use it to fund the business. The way you make money is referrals and word of mouth — hard but cheap. Talk to your friends, relatives, people in the coffee shop. Just go out and meet people and talk to them about problems they need solving.

“That money you make, you fund the business with. You cannot live off this money, but it has a multiplier effect. Spend money on the service add-ons or products that you know will directly have added benefit to the clients. It works.”



KATIE MCCASKEY, CO-OWNER (WITH HUSBAND) OF THE GEORGE BOWERS GROCERY STORE

- Funded with bank loan and line of credit.
- Loan from a local micro-lender.
- Personal savings/cash contributions.
- Personal, friend/family loan.
- Sweat equity.

“We have three employees, two of whom we are able to pay above minimum wage. (We take a minimal owner draw.) We have repaid nearly all of our opening expenses. All told, we spent about the same amount as if we'd purchased a luxury vehicle to open our business.

“We continue to grow each year. In December we finished up +4% over [the previous year], but the real highlight was our meals category: +26%. A price bump, expanded menu, and seven days open all contributed to that increase.

“We still love each other, and our business! Last year I was able to step away from the day-to-day operations and took a full-time job. Our goal is that my husband will be able to step away [next] as we get our next business started.

“Our goal is to have something worth selling in a few years. We hope to grow our footprint this year by creating a ‘grab and go’ version of the cafe in a denser part of downtown. We are realistic about the ultimate financial value of the business — meaning, we don't expect millions — but plan to keep growing it in a small and steady way.”



D.R. FIDELER, CREATOR OF ONLINE EDUCATION COURSES

- Started over half a dozen businesses, and they've all been self-funded.
- Started business 10 years ago with \$1,500 and it went on to do \$750,000 in sales in that 10-year timeframe.

“I built my book design business entirely using direct mail. I created attention-getting postcards, two-sided color sell sheets, and brochures. I created a database/ mailing list, and would send out the color brochures with a personalized letter. Then, two days after the person received the mailing, I'd send them a follow-up email with a simple question.

“Using this prospecting process, I built the entire business, without ever once making a cold telephone call or sending a cold email.

“That's how I turned the initial \$1,500 investment into \$750,000 in sales. I just kept repeating the process and increasing the quality of my mailings.

“Basically, the marketing process was self-funding. I would spend \$500 and get \$5,000 in sales. And one of my inexpensive mailings landed a huge client that I've been working for ever since. The ROI on that mailing cost is astronomically high, since I do about \$75,000 worth of business for the client per year.

“Now I have enough work where I just do the work and no longer need to do any marketing.”



BRETT YOUNG, SERIAL ENTREPRENEUR

- Self-funded second company through payout from first.
- Attempted to find VC to invest for second-round funding, but no biters, so invested the company's revenue back in.

“One thing that's much better than venture funding is revenue. We've preserved our options for future funding, proven that we can be capital efficient, made great hires, and are working with name-brand, high-tech companies using our tools. The question we're trying to answer is how much growth we can support using only revenue. Here are my top three tips for startup funding.

“Network is key: You will need to talk to 100 VCs. How are you going to find 100 VCs? Who's going to help you? What will get you a meeting?

“Understand the Power Rule: You need to prove that you can create a big impact. The more evidence you have that you can do that, the better a case you're making that you can drive a VC's portfolio profitability. If you can't make that case, you shouldn't be taking VC funding.

“The best solution is revenue: Revenue cures a lot of ills. Cash flow. Proof of traction. Insomnia.”



CHRIS VADNAIS, APP PROGRAMMER

- Went out on his own in 2009 with \$430 in gambling winnings from betting on sports.
- A few years later had made more than \$300,000 net profit from that investment.

“I started my first business in 1995. Armed with a self-acquired mastery of basic HTML and graphics manipulation, my friend Ron and I bought some web space and started WebSights, a web development company. We cold-called businesses, asking them if they wanted to have a presence on the internet. This was a time when not everyone had a website; only the major companies were online. Smaller businesses still advertised their 1-800

numbers in magazines and newspapers.

“Ron handled the web space part because he understood that better, and since I was better on the phone than he was, I would make the majority of the calls. I'd call small businesses directly and ask if they'd ever thought about having a website. Most of the people I talked to had a basic understanding of the internet — they had seen websites through AOL or something, but they thought it was too expensive to get one for themselves. It was still pretty exotic at that time, and our grassroots approach and reasonable pricing were pretty attractive.

“Skip forward to 2009. Apple had just announced that the 500 millionth application had been downloaded from its store. Development for the iPhone was still a relatively new thing; most people had not yet realized how big of a market it was going to be. Much like websites in 1995, apps were uncharted territory. I wanted in.

“By 2010 we were developing new apps every week. At some point we had more than 200 apps in the store. We eventually branched out into the Android market, and over the course of the next few years we raked in more than \$300,000 in net profit.”

A Beginner's Guide to Crowdfunding

There are as many different ways to fund a business as there are business ideas in the world, but crowdfunding has become an increasingly popular option for founders in recent years.

Starting with Kickstarter and now including dozens of different online platforms, these services offer entrepreneurs access to not only the funding they need, but also much-needed marketing and exposure at the earliest stages of product development.

Clay Hebert is a crowdfunding expert and consultant. He has helped over 150 entrepreneurs raise over \$50 million on crowdfunding platforms. He also teaches crowdfunding to business leaders and publishes free tutorial content on the subject at CrowdfundingHacks.com.

We spoke with him recently to get his take on crowdfunding for new entrepreneurs. Early in the interview, he brings up a critical point for mitigating risk in any business endeavor. That is, make sure you can survive and even thrive with the lowest possible expectations.

Here's what he had to say.



James Altucher: So what types of products work best for a crowdfunding campaign? How much money should someone ask for to start?

Clay Hebert: You should make your funding goal as low as possible to finish your project, and there's a reason for that.

Everyone confuses crowdfunding with fundraising because the press loves to talk about these million-dollar projects and things like that. So people assume with no platform and no marketing, they're just going to go raise \$100,000, and they put their goal at that.

Just take the biggest Kickstarter ever, the Coolest Cooler, which raised millions and millions of dollars. The first time they went out, they had a goal of \$150,000 and they didn't hit it; they only raised \$120,000, and the project failed.

The second time they went out, they lowered their goal to \$50,000 and ended up raising over \$10 million.

People want the actual thing, and they want it as cheap as possible. So with the video of the Coolest Cooler, people were convinced and they kept buying them up to over \$10, \$13 million long after the \$50,000 goal. Not because they're selfish, but they're self-interested: They watched the video and they said, "I want to be the cool person at the beach next summer who has the Coolest Cooler."

That's why you set the goal as low as possible. And the other reason you set it as low as possible is to get the press to write about you.

Now if you look at the press, they need a headline to write about. They need a hook. A lot of the headlines are "Such-and-such a project crushed their Kickstarter funding goal: 300% in 48 hours." So it behooves you — if you want to get written about

— to set your goal low, beat it in 24-48 hours, then it becomes a press story that you can package up. It gets on their radar.

They don't care whether your goal is \$10,000 or \$50,000. They rarely include the actual goal in the headline. They just want a story that says you beat your goal quickly.

JA: Do people feel funny asking their fans for money?

CH: Yeah, they definitely do. Not so much the entrepreneurs but a lot of creative [people] — the artists who are maybe making a film or some art. They not only have a problem asking for it; they actually have an anti-marketing mindset, where it's not just hard to ask for money, but they feel like they shouldn't have to because school and a lot of other things teach us that if you do good art, you should just be discovered; you know someone's going to come to your apartment in Brooklyn and discover you. So that is a problem.

They want to be picked, they want to be chosen. And I think Kickstarter actually is this wonderful thing that comes along and gives them access to this type of market that combines these things.

JA: What about design?

CH: Yeah, design matters. It matters beyond the product itself too. If someone can't even design a great Kickstarter page, or their typography choices are terrible, or if their video is bad, then it basically says: "Well, if you guys can't even make a campaign that's well designed, of course you can't design a product. That's a lot harder."

And nowadays, with the ubiquity of great designers and the ability to access them and to hire them cheaply and do reward-level infographics and things like that, your crowdfunding page better be well designed because that communicates

how well you can execute on your idea.

JA: What about the rewards? What kind of rewards do you have to give?

CH: It depends greatly on the type of project, but there are a couple tricks.

The biggest mistake people make is for \$5 or \$10 they'll give you a "digital high-five" or they'll put your name on their crappy website.

Nobody wants that. Nobody wakes up in the morning and says, "I hope I find an obscure crowdfunding project and they're willing to put my name on their website."

Instead, in this digital world that we live in, I say make your first-level reward super valuable. How much value can you offer for \$1? Like can you create a video series about your product and how to use it? Can you create something maybe not even about your product but about the industry that your product is in or a really great PDF? Make it something people actually will want.

JA: What's an example that you've seen that you've really liked for \$1?

CH: A friend of ours, Matt Kepnes, was building an app called TripSaver that he was selling for \$2 in the App Store. You want to offer it — especially for apps where consumers expect them to be cheap anyway — I say you should offer those for 50% off whatever it's going to cost in the App Store.

Now the problem that that creates is he was creating this app and he was offering it for \$1. Well, at \$1, the math just falls apart, but it's still the right thing to do.

What do you do then and what do you add at a higher level? Well, Matt's a travel blogger so he had PDFs on how to become a travel blogger and everything else and all the way up to \$2,000 for his sold-out guided trips to Thailand and things like that.

So he crushed his crowdfunding goal — not from the math of offering the app really cheap but from creating these higher-level rewards, sometimes digital, sometimes physical that he could offer.

JA: So you deal out premium products alongside the app.

CH: Yeah, he already had some premium products. I mean he'd already written the book and he'd already done some other things. But if they're digital, you can fulfill it with a Dropbox link or an Amazon link. So if you can create these premium products that are digital, you can offer them very cheap because it takes two seconds and no money to fulfill those rewards.

JA: And how much did Matt raise?

CH: I think his goal was \$8,000 because he just wanted to build the app for iPhone and Android, and he ended up I think raising \$27,000. So about 300% of his goal. But his goal, again, was relatively small.

JA: That's great. But the problem is with the \$27,000, he's going to have to take people on a bunch of trips, he has to give his app to everybody.

CH: Yeah, yeah, definitely. The truth is, you don't get rich from crowdfunding. But you get a chance to start this business or fund your dream.

And so people should look at this and say: "This thing is

going to allow me to pursue the project that I want to do," not "It's going to help me get rich and move to an island somewhere."

JA: So any other suggestions?

CH: There are two other really big ones. One is the video. You have to be able to tell a good story about your product in a video.

There are lots of components in these, but the basics are that in the first few seconds you should address the problem that you're solving, because that's really what people care about. So the best videos explain in the first 10 seconds who the person is and then what their problem is. And then within the next 20 or 30 seconds, you get to how your product solves that problem.

The other huge component is you've got to think about who your "tribe" is. Start by making a list of who are the first 10 people that love everything I put out, that really need this product, and go to them and expand your list to 100 and then 1,000.

Kevin Kelly's blog post "1,000 True Fans" defines this really well. Everyone who's starting a Kickstarter project should read that post and think about instead of trying to get press and go top down, go bottom up. "Who are the 1,000 people that need this?"

If you can get \$50 from 1,000 people, there's your \$50,000 goal. So think bottom up, not top down, and find your tribe.

And you need a landing page. The best thing to do is create the landing page long before you create your project. So this is one of the things that if you're even thinking about doing a crowdfunding project, put up a landing page that

explains what your product is. Put it up on a page where the only thing someone can do is raise his or her hand and say, "Yes, I'm interested," and give you his or her email address.

We did this for a project called Kittyo. We built a landing page for it, we iterated until it converted at about 40% and marketed the crowdfunding page like you would market a Kickstarter project. We gathered 13,000 prelaunch opt-in emails in six months of just people who raised their hands and said, "I want a Kittyo."

Then when he launched his crowdfunding campaign, he was funded in 36 minutes. He was 200% funded on the first day, and he ended up raising \$270,000.

For six months, he put a net in the river and said, "This is what I'm launching if you're interested," and then he basically pre-launched to the list. He told those 13,000 people, "We're launching in 48 hours. We're launching in 12 hours. You'll get the best possible price, super early bird," and he was funded basically instantly.

JA: How do you advertise the landing page?

CH: So he did some really interesting partnerships, one with a site called Hauspanther.com. The tagline for Hauspanther is "The premier online magazine for design-conscious cat people." Now that is a perfect example of your 1,000 true fans. That's perfect for his product. Those are the exact people he needed to reach, so he just did a simple giveaway where it said, "Enter your email and get a chance to win a free Kittyo unit," which cost him \$50 or \$100, and he got 1,000 emails from that.

And he did smart partnerships with Facebook — you know,

cat Facebook pages and things like that. So we tried a lot of different things to market the landing page.



One more quick note on video. I notice this also from my friends in the newsletter business. They all get better results when they sell via video than just a simple email. I want to recommend that people review the “6 U’s of Persuasion” and use them in your video:

1. **Urgency:** Why the problem you solve is URGENT to your demographic. For example: “I can never get a cab when it rains!”
2. **Unique:** Why is your solution unique: “We aggregate 100s of car services into one simple app. Nobody else does this.”
3. **Useful:** Why is your solution useful to the lives of the people you plan on selling to or deliver your message to: “We get you there on time.”
4. **Ultra-specific:** This shows there is no fluff: “Our app knows where you are. Your credit card is pre-loaded. You hit a button and a car shows up in 4-5 minutes.” Of course the example I give is for Uber but you can throw in any other example you want.
5. **User-friendly:** In other words, make it as easy as possible for someone to say “yes.” Like a money back guarantee, for instance. Or a giveaway. Or higher equity. Or testimonials from people you both know.
6. **Unquestionable Proof:** This can be in the form of profits. Or some measurable statistic. Or testimonials. Or a good wingman. Whatever it takes.

No More Excuses: Making Time for Your Side Business While Working 9-5

“Time is an equal opportunity employer. Each human being has exactly the same number of hours and minutes every day. Rich people can't buy more hours. Scientists can't invent new minutes. And you can't save time to spend it on another day. Even so, time is amazingly fair and forgiving. No matter how much time you've wasted in the past, you still have an entire tomorrow.”

— Denis Waitley

Entrepreneurship is never easy, but if you ever hope to escape the corporate world and start your own revenue-generating business, you have to... you know... actually *start*.

Easier said than done. After all, you’ve got bills to pay and a family to feed. And that’s before factoring in your regular job. It might be sucking the lifeblood out of you from 9-5 Monday through Friday, but it’s keeping a roof over your head and food on the table.

And how can you possibly work full time AND go after what you love?

I get it. No, really — I do.

But here’s the thing — you actually DO have the time, even with the day job. To fall back onto the old excuse of “Not enough time!” is just perpetuating the cycle you’re stuck in.

Not only is it possible to start your own side business while working a day time job, you may be better off for it in the long run. You'll have:

1. Financial security as you get your business going.
2. A source of revenue from which to be able to invest in your own company.
3. The flexibility of not needing to make an income from your new side hustle RIGHT NOW, which will take a significant amount of pressure off and allow you to build your business organically.

You've got the idea. You've got the drive. And believe it or not, you DO have the time. Now you just need to back it up with some action.

Here is what you need to keep in mind as you start a side hustle while working 40 hours a week.

A) THE BIG IDEA

In an ideal world, any side projects you take on while you are doing your full time job should be profitable from day one. These side projects can eventually add up to be a business, but if they are costing you both money and time then, for most businesses, it's just not worth it.

B) A GAME PLAN

Give yourself a time frame. "I will be profitable by X" so that you know if this project is worth pursuing. Or "I will spend no more than X hours a week at it" so even if it's not making money right away, you still have time to explore other options.

C) ORGANIZE YOUR TIME

You have to find the gaps in your time. When I was working a full-time job I'd get in two hours earlier than everyone else. I'd use my lunch break. I'd leave a tiny bit early so it wasn't so noticeable and I'd go to my other side hustles.

This is much harder, of course, when you have a family. So you may have to carve out time at home also. This might mean less TV time. Less leisure time, etc. It's painful, but it's the way to do this on the side, and it's worth it once it starts working out.

D) DON'T GO TOO FAST

Accept the fact that without the ability to go at it full throttle, your business will have to be built-in baby steps. That's fine. Be patient and don't let it discourage you. It doesn't need to be finished tomorrow. You've still got your full-time job to fall back on in the meantime. And a slow and steady pace will still get you across the finish line.

I spent almost two years doing both my full-time job and my side hustle at the same time. Very painful when I look at it in retrospect. But, again, it was worth it and I am forever grateful for the full-time job for giving me the security I needed while pursuing what was my dream situation.

E) KEEP YOUR PRIORITIES IN LINE

This is going to be an exhausting process. Don't neglect your health in your pursuit of your business. It can burn you out if you let it. Not only will your health suffer, your passion for your business may, as well. You need to pay enough attention to your general well-being.

This was important to me in 1996 — and perhaps even more critical to me now in 2018. I am not only writing every day, but also pursuing several business opportunities simultaneously.

When I write these articles, it's not from a pedestal. I've had both good and bad experiences with all of this. But this is what I am going through right now and reporting in real time as I do it.

I hate those businesses that get "successful" simply by teaching you how to launch successful businesses and that's the only time the entrepreneur has ever had success. Like I said, I've been in the trenches and I enjoy it. What I write is what I have not only experienced in the past, but also what I'm experiencing right now.

F) TAKE SHORTCUTS

Anything that you can streamline, do. Make an FAQ or create canned responses to cut down on email response time. Automate your social media posts with apps like Hootsuite.

G) STOP WATCHING NETFLIX

"Everybody has time. Stop watching fucking 'Lost'!"

— Gary Vaynerchuk

H) OUTSOURCE

There's a reason there's a whole chapter in this book about outsourcing. Outsource anything you can afford to. Hire freelancers and contractors, especially for tasks where your expertise is lacking. It may cost you some money, but it'll save you a lot of time that you can use to focus on the big picture, and your finished product may well be better off for it.

The first time I hired a programmer to do the programming I was doing I couldn't believe it. We were charging \$5,000 for a job. I was paying about \$500 for an evening's worth of time. And I was able to go out to dinner with other potential clients. It felt like there was two of me. This was a revelation to me that I could do it.

But only outsource if you are profitable. Or if the money being used doesn't hurt your ability to stay in business.

I) GET FEEDBACK

There's nothing worse than investing all your time and money into a project only to realize 75% of the way through that you've missed a glaring and potentially detrimental blindspot with your product. Get constant feedback. From customers. From competitors. From other entrepreneurs.

There's a well-known cognitive bias that prevents people from seeing if their own ideas are good or bad.

Everyone thinks their ideas are good. So there's a trick to analyze whether your idea is good or bad.

First off, if you have a customer, then your idea is good. But aside from that, find yourself a "devil's advocate."

This is tricky. Don't just find someone and say, "Criticize this" because they may or may not know what they are doing. You have to find someone who legitimately doesn't believe in what you are doing and really explore their reasons why. Also make sure you find someone who is able to give constructive criticism. Don't argue with the person. Listen, and then later determine if they are right or wrong. Your job is not to convince them. (They can't be. They belong to the same cognitive bias). Your job is to listen every day and figure out the holes in their logic or if their logic makes any sense.

J) CONNECT WITH YOUR LOCAL SMALL BUSINESS ASSOCIATION

You'll be able to tap into whatever resources they have available, as well as any local networking opportunities.

K) GAIN TRACTION BEFORE YOU QUIT, BUT HAVE AN EXIT STRATEGY

I left my day job when I knew that both jobs would not result in

a decrease in salary for me and would not put any of my employees at risk.

Eventually your new business is going to demand more of your attention than you'll be able to give it while you're still working 9-5. But you'll want to make sure your company is sustainable, profitable, and that your income would be enough to maintain your lifestyle before making a move.

My rule is to accrue at least six months' worth of savings before taking the leap. But if your new company might need some more investment capital, factor that in as well.

My Guide to Building an Audience

I felt like I had something to say. I felt like I could say it in a meaningful way. But I had nobody to say it to. I had nobody to talk to. I had no “platform” to build up.

Finally, I wrote Jim Cramer a message: “Here are 10 ideas for articles you should write.” He wrote back and said, “YOU should write them.”

I contacted his editor (R.I.P.) who said, “Great!” and then stopped writing me. I had to write him every day. I called him. I got mad in my head at him.

But finally, six months later, I wrote my first article for their site. And I've been writing every day some place or other ever since.

Here's how to build your own audience.

A) THE “VISION” THING

You have to say something different. And you have to say it differently.

Designer Debbie Millman (who ran Sterling Brands and designed hundreds of projects for everything from Burger King to Star Wars merchandise) told me that the best strategy is to “deliberately differentiate.”

Don't do something 100% different. Take something old, figure out your new take, and say it in a unique way that is good enough for you to differentiate from the rest.

I'll give three examples from my life.

In 2002 everyone was pessimistic. War was coming. Enron had just happened. Everyone was scared.

I was an optimist. I was maybe the only optimist. And I had strong reasons for my optimism and for liking stocks. Plus I had spent many years trying to develop writing as a craft. I read a lot, I had knowledge of financial history, and I also wrote software to help me back up my claims.

So my articles at the time were still in the financial space BUT I differentiated myself: I wrote in a more personal style, I was contrarian in my outlook and used history to back it up, and I used software to back up my claims.

This meant I had something new to say, and a different way to say it.

So when different financial sites were looking for a writer, I was a good choice. There was me and there was "other."

Whatever you are interested in, do enough research to find your unique take and then make sure there is YOU and then there is the "other."

In 2010 I was sick of all the financial prophets making predictions when the truth was that no one knew anything at the time. The financial crisis had left financial media in a big mess.

So I started writing about failure and how I dealt with it in a very personal way. Just like later I started writing about minimalism in a very different way. Minimalism was already a "hot topic." But I came at it with a new angle in a completely organic way that was authentic to my experience.

More on my experience in a second.

B) BE EVERYWHERE ALL THE TIME

Every start is slow. You write for one site. You write when they let you. You have a blog but people have to find it, etc.

But if you do "A", opportunities start to happen and then you need to do "B."

At first I wrote for TheStreet.com. Then I was afraid to write for somewhere else. Would it show a lack of loyalty?

Maybe yes, maybe no. But what I realized is this: It's to everyone's benefit if you write in as many places as possible. If you are "the person who is everywhere" then the sites that actually have you (since you can't really be everywhere) will recognize that you are talented and are bringing more traffic to them (because you're bringing the audience that found you on one site, Googled you, and found you on another site).

You aren't stealing any traffic from anyone. You're simply adding value and more people are seeing you, hence more people are going to everyone's sites because of you.

By the time I stopped writing on primarily financial sites, I was writing for three newspapers, four or five different sites, I was a spokesperson for Fidelity (so writing on its site and speaking at its conferences), and had written five books for three different publishers on finance.

Be the Wall of Sound about the topic you have a vision in.

Wherever anyone looks, they see you.

This took years to develop. But now it's a bit easier because there are many public platforms you can post on. If your content has a vision, then it will get shared and your audience will grow: Facebook, Instagram, LinkedIn, Medium, Huffington Post, etc. Then you can start going for more niche specialty sites.

I've written for everyone from the Financial Times print newspaper to Cracked.com (where my article on why doctors will kill you had well over a million views) and 100 places in between.

C) TELL A STORY

People talk about “content marketing.” That’s the catchphrase. Don’t ever use that phrase.

Tell a story. A story has a beginning, middle, and end (although not necessarily in that order).

A story has a person with a problem, the solution they find, and the journey they take to get there.

A story is the bridge from how one goes from “no vision” to “vision.” That’s the story. Luke Skywalker didn’t believe in the Force. And then at the end he not only believed it but used it to singlehandedly bring down a galactic empire.

D) DO THINGS

I think writing is not enough. If you are 20% better than everyone else, nobody will really notice that.

You have to DO things.

In 2002, I couldn’t just write about stocks. I started a hedge fund.

In 2010, I was almost documenting my failures in real time and what I was doing to bounce back from them. Someone even commented, “This is like watching a train wreck in real time.”

In 2016 I didn’t write about minimalism. I THREW ALL MY BELONGINGS OUT and then wrote about what happened.

I didn’t do this for traffic or for “brand.” I did it because I authentically wanted to.

The best way to write a story is to create it yourself. Or write about the people who created it.

Here is a bad article: “Top 10 ways to be a leader” without the writer explaining how he learned these things. What mistakes he made along the way to become a better leader.

Then it’s a story! Then it’s about someone DOING something. Then it’s worth sharing.

E) QUANTITY

People say, “Wait until you have something to say,” and I agree with this.

But have something to say every day. Say it loud and say it a lot. Overpromise and overdeliver. That’s the key to success.

F) MAKE IT WORTH SHARING

It’s one thing if 100 people like what you write. That is great. And, as the saying goes, “If you impact just one person then it’s worth it.”

But I don’t quite believe it.

Make your story easy to share. All the time.

If 100 people like it, great. If 100 people share it with their friends, then better.

There is no formula for how to make things shareable.

But in general, give people multiple reasons to share.

- Oftentimes, bullet points make an article easy to read, so it’s easy to share.
- A good story, with emotional pain, is often easy to share if it’s very relatable (“10 Reasons I Had to Quit My Job”).
- Make sure there are good quotes that stand on their own. You can even imagine people tweeting those specific quotes.
- If you can put in a good photo, or quote-image, that gives people another excuse to share.
- If you do something ludicrously funny (and short) people will share it.
- And, of course, if you say something completely new about Donald Trump, people will share it. One example is when A.J. Jacobs took an Ann Coulter comment out

of context and broke down the literal math of what she was saying. I feel like that one small post was shared 10,000 times or more. We even did a podcast about it.

So: Have a vision, be everywhere, deliberately differentiate, tell a story, DO things (very important), and make it as shareable as possible.

Here's the problem I have now. I have been doing this particular style of writing now for seven years.

I have to DO something. I have to now deliberately differentiate from myself. And when you already have many readers who love one thing, it's scary (to me) to take risks to get them to like something else.

But I started this off by taking risks. And I have to take risks again.

So I'm scared. But that's often the beginning of a good story.

• CHAPTER 38 •

How to Build a Personal Brand

I'm not sure I believe in personal branding.

How can a person be a brand?

Coke is a brand. By the way, it's horrible for you. It started as a cold medicine with cocaine in it. Now it's the most popular soda in the world. It has 39 grams of sugar in one can. I read that police officers use it to clean up crime-scenes. Apparently it's really good for getting bloodstains out of concrete.

It probably costs almost nothing to make. It's just basically water that's been dyed brown and loaded with sugar and some CO2 for fizz. That's the secret formula locked away in a bank vault somewhere.

But the Coke executives sell it to you and get rich.

I hear the word "branding" and think, "OK, who is about to lie to me and take my money?"

I get asked all the time, "James, how do I build a personal brand?"

My answer is, by being a person.

I'm not James, the Guy who Fails a Lot. I'm just James, and I've failed a lot, and I write about it. I'm just who I am, and some people like that and others don't.

I didn't build a brand. I built myself back up from the ground.

I think a lot of people assume personal branding means to

take the person you are and wrap it up in pretty wrapping paper so everyone is distracted by all the shiny patterns and no one can see the real you. All the failures and the scars and the blemishes.

In those cases, branding = lying.

But if my “brand” really is about failure and bleeding on the page and about all the mistakes I make, then I think we can re-define personal branding.

In that case, personal branding = honesty.

But you shouldn’t take my advice. Advice is autobiography. Like I said, I’ve never built a personal brand — I’m just a guy who fails a lot and writes about it.

So I decided to ask some personal branding experts to help me create “Altucher’s Guide to Personal Branding.” Chris Messina (who invented the hashtag) and Nat Eliason both have strong, honest personal brands that I admire. And Leonard Kim is a personal branding strategist who’s been featured on several top 10 lists about best branding experts. I also had him on my old podcast, “Ask Altucher.”

They gave me a lot of good advice (their autobiographies). So here it is:

A) FIGURE OUT WHO YOU ARE

Like I said, personal branding should be about who you are as a person. To do that, you have to know who you are.

“People do buy into ideals, but what they do before they buy into anything else is they buy into people,” says Leonard. “You have to sell yourself before you sell your company or your expertise.”

Selling yourself is creating a bond between you and other people, he says. “The more personable and relatable you make it ... the higher chance it has of taking off.”

He suggested this exercise: Take a set of Post-It notes and write down one adjective on each that you think describes you.

Funny, smart, lazy, etc. Go to people who know you really well and ask them to do the same. Tell them to be COMPLETELY honest. Put the notes in a bag so it’ll be anonymous. The adjective that gets the most notes is going to be the strongest aspect of your brand.

Then figure out exactly what problem you’re solving, and who your target audience is.

B) BE AUTHENTIC (WHICH MEANS IMPERFECT)

Being open and genuine about your journey, your life, your mistakes allows people to connect with you on a deeper level, to see you as a person and not just a name.

“If you find a way of revealing the parts of you that you’re still working on, that sometimes seems to allow people to be more on your side than someone who aggressively puts themselves out there as being perfect or flawless,” said Chris.

When Chris started blogging, he had a fear of hitting the “publish” button.

“I had this sense that, ‘Oh my god, if I publish this, everyone’s going to see it and they’re going to judge me and it’s going to be terrible, and I need it to be perfect!’ And I freaked myself out,” he said.

Then he read something that reminded him of the old saying, “Dance like nobody is watching.” So he decided to write like no one was reading.

“Once I did that, and I shifted my attitude to [think] that there wasn’t this huge audience scrutinizing my every move. That really freed me up to publish more regularly and more freely,” he said.

C) SAY SOMETHING NEW

“I think the biggest thing is having an interesting voice where you stand out and it’s memorable,” says Nat. “This is the prob-

lem of the internet. It's never been easier to start a blog or start a business, but it's also never been harder to escape the noise. If you're not saying anything new or saying anything interesting, then it's really hard for anyone to remember you."

When Nat left his marketing job and began creating his own brand, he became the "anti-email marketing" guy. The articles did really well.

"It was very contrary to what pretty much everybody else in the space was saying. If you can do that and you can make a good argument, it's a really effective way to stand out in whatever niche you're trying to fill," he said.

D) "CREATE GOOD ART."

I love that line. I stole it from Nat.

"That's going to be 95% of this. If you can't do that, then not only will you not be able to build a brand, but you don't even deserve one," he said.

Here's my definition of good art:

- Something you believe in and can stand behind.
- Something that expresses the world as you see it.
- Something that evokes a visceral response. Maybe it's positive. Maybe it's negative. Not everyone is going to like you. (If everyone likes you then you're not being authentic.) But they'll remember what you said.
- Something that is executed masterfully (i.e., clearly written, proper grammar, correct spelling, etc.).
- Something that contributes value to whoever will see it.

E) DON'T LET YOUR BRAND DISTRACT YOU

Don't overthink your brand. In fact, don't think about it at all.

"I would be thinking about, 'Okay, how do I actually get in the habit of producing something useful,' because until you do that, the branding is just a form of procrastination, a distraction," Nat says. "[People will say], 'Oh I'm going to start a startup,' and then they buy the domain name, find a WordPress theme, get all their social media channels set up. None of that is necessary as a first step. The first step is actually testing whatever it is you're trying to do... It's almost impossible to build a good brand without a good body of work to back it up."

F) ENGAGE

You're walking down the street trying to decide which restaurant to go to for dinner. One restaurant you see has almost no customers. Another one you see has full tables and a wait out the door. Which restaurant do you think has better food?

This is what Leonard calls social proof, and it's important. Why? Because social proof is its own form of marketing.

"Social proof is when others are validating a decision, and it makes you want to do the same thing," he says.

In the online sphere, social proof comes from engagement. It doesn't mean you have to have three million followers. It just means the followers you have are engaged with what you're saying — commenting, liking, sharing, etc.

Connect with other people in your niche. Comment and share other people's content. Respond to comments from your readers.

BUT I think it's important to reiterate the "don't get distracted" rule. It's easy to become too invested in what Nat calls "vanity metrics" (another phrase I like that I'm probably going to steal).

"Some people might gauge the quality of an article by how many comments it gets, or how many Facebook shares it gets. The more you let that dictate what you do with your work, the more removed you're going to get from your intentions and desires," he says.

6) GIVE AWAY YOUR IDEAS

Chris never considered patenting the hashtag.

He wanted to help people. He wanted to shape the way on-line conversations take place. He didn't want to be a gatekeeper.

"If you want to actually affect culture then you actually want to make your ideas as freely available as possible without putting yourself in the middle as the gatekeeper," he said.

Leonard agrees.

"A lot of people are scared to share all their trade secrets," he said. "But when you showcase all your expertise and put it all out there, then when people read your stuff, they're like, 'Wow, this guy really is the social media go-to expert!'"

H) DON'T STAY IN AN UNHAPPY RELATIONSHIP

It's OK to break up with your brand if you don't love it anymore. Or if you like the idea of a new brand better. Or if it's just not working out.

It's called "reinventing yourself."

"Don't get tricked by the sunk-cost fallacy and believe that, 'Oh, I've already got this built up, I can't change it,'" Nat says. "I wouldn't be afraid to kill off parts of your brand or suddenly wake up one day and contradict them. Say, 'Hey, I was saying this thing for a while, I realized it was wrong, here's why, here's what I believe now.' I think people like that actually; it shows intellectual honesty and it lets them know if you change your opinion to something else in the future that you're going to let them know about that, too."