



**SPI Podcast Session #97 -
John Lee Dumas on his 6-Figure Month,
Facebook Webinar Strategy and Adding Sponsors to Your Show**

show notes at: <http://www.smartpassiveincome.com/session97>

Pat: This is The Smart Passive Income Podcast with Pat Flynn Session #97. I'm so excited for this. Let's go.

Intro: Welcome to The Smart Passive Income Podcast where it's all about working hard now so you can sit back and reap the benefits later. And now your host, he once inhaled a helium balloon hoping he'd float, Pat Flynn!

Pat: What's up everybody! This is Pat Flynn. I'm so excited you're here and I might as well be floating in the sky right now because I just checked my stats right before recording this. I always check my stats before recording. And we just passed seven million downloads of the Smart Income Podcast. I can't even fathom that number. It's so incredible. I mean just thank you so much for all the support.

I actually just released another podcast. I love podcasting so much that I released another podcast. You could find that at AskPat.com. And that's a new podcast where I go on the show daily to answer voicemail questions from you. So if you have a question, check out Ask Pat. That has been live for about two weeks now. And that has surpassed 115,000 downloads and I'm just – this blows my mind. I mean if you're not doing a podcast or if you're at least not just somehow producing content for the world, you're missing out because this is just so much fun and you're changing lives and I'm just so thankful that this is possible. I mean this is crazy.

But of course, this wouldn't happen without you. And thank you so much for being here. And I have to thank also my buddy, John Lee Dumas, who is actually our guest for the show today. I had him on the show before and that was the first time he was on was August 16, 2013 which is exactly 180 days ago. Just about six months ago.

And since we've had him on the show, oh my gosh, he's just exploded. I mean even more than he had already exploded. I mean he's literally on fire right now because he is making a lot more money, he's helping a lot more people, and I wanted to bring him on the show this time, the second time around to do a couple of things. One, to thank him live for the inspiration for Ask Pat and to sort of share with you guys where the idea for



that came from. And also, just to dive into what has really been working for him lately. He is making over six figures a month now, a month, more than me.

And so, I am diving into his brain and picking his brain so we can all learn from what's working for him and he's using a lot of interesting strategies that aren't very difficult. So I think we should all pay attention to that of course. And I also wanted to get his advice and expertise and wisdom on including sponsors in one's podcast episode or advertising space on one's blog because that is something that we all have the potential opportunity to do and there's a right way to do it and a wrong way to do it.

John is doing it very, very well I feel. The show continues to grow despite having sponsors which was something I was totally against before and he sort of enlightened me and showed me that there is a way for it to be a win for everybody. So we talked about that, the pros and cons and what to do and what not to do.

So let's just get right into the interview. This is John Lee Dumas from [Entrepreneur on Fire](#), one of my great, great friends who lives here in San Diego with me and we've been hanging out in person. He met my wife, April and April loves him. And this is just so cool. So I'm very, very happy to welcome John Lee Dumas from EntrepreneuronFire.com second time here on the Smart Passive Income Podcast. Here's the interview.

John Dumas, what's up? Welcome back to the Smart Passive Income Podcast. How are you?

John: Pat Flynn! Numero dos, I can't wait.

Pat: Welcome to San Diego by the way.

John: Oh, I love San Diego so much.

Pat: John and I got to hang out the other night. I introduced him to my wife, April. We had a good time. We hang out with a bunch of other people. It just seems like everybody is coming to San Diego now, a bunch of entrepreneurs are rocking it out.

John: I mean Pat, if you could live anywhere in the world, if you're a location-independent, why not San Diego?

Pat: I mean I'm here, right?



John: And now, I am too.

Pat: Yeah, awesome. So everybody listening, I wanted John to come back on the show because he has been just absolutely crushing it online. He's in the six-figure a month range and we'll get into that and his breakdown because he's doing monthly income reports now and they're very inspiring to me.

And then we'll talk about a conversation that he and I had a couple of months ago which inspired Ask Pat, my new podcast. And then we're going to talk about sponsorships because if you listened to John's show at Entrepreneur on Fire, you'll know that he has an include sponsors on his show whereas I don't.

And so we're going to talk about and back forth go between the pros and cons and if you're going to add sponsors, what you should do and should look out for and even also John if you want to get into – maybe we can get into how do you reach out to a company to potentially sponsor your show and things like that.

John: Absolutely.

Pat: Sounds good?

John: I can't wait.

Pat: OK. So give us an update. You were on SPI Podcast episode 77 and we talked you, how you went from nothing to five figures per month in less than a year by starting Entrepreneur on Fire. What has happened since then?

John: Wow! So a lot has happened, Pat. Those five-figure per month actually have now turned into six figures a month. Inspired by you, I actually just started to launch a monthly income report in September of 2013 which was our one year anniversary. I think that month we were in the \$40,000 to \$50,000 but then every month after that, we've been right at or under a \$100,000 a month for a lot of different reasons. Number one, our sponsorship revenue has really gone through the roof.

Number two, [Podcaster's Paradise](#) which is a community that I created for podcasters has just gone off the roof and especially here in January where we actually did break a \$158,000 for the month. We just released our income report today, Pat. And \$96,000 of that was from Podcaster's Paradise. So that's where the huge numbers are coming from



and I'm excited to share with you just like I share with podcasters and you share with people that are looking to do smart passive income our income reports.

Pat: \$96,000 from that one piece of your business and then you have the sponsorships and then you also have books on Amazon and a bunch of other things going on.

John: Yeah, a lot of things.

Pat: So OK, these are ridiculous numbers. I mean they're awesome. I mean I'm so happy for you. I told you that in person the other day. I'm just so proud of – I mean because I was there with you since the beginning at New Media Expo a couple of years ago and here you are passing me in income. And this isn't about the income, it's just about what the income can do for us and I see that you've moved to San Diego and you have this awesome ability to have the freedom to do what you want to do now which is great.

And people, don't think that you have to get to six figures a month to do that. I've only reached that at one point. I mean even when I first started my online business, the five-figure, the low five-figure a month range is just enough to live off of. So don't get bogged down by these numbers even though these numbers are ridiculously high and I want to talk about them really quick.

So Podcaster's Paradise, talk about where that idea came from and how are you able to generate this much income from this thing that you've created.

John: I think this is a really good topic because Pat, it's a question that I receive all the time from my listeners is, "John, how do I know what products and services to create?" And the powerful thing that you've done, Pat, and that I've been able to do in the last couple of years is build an audience. And that audience will tell you what they're struggling with, what their obstacles are, what they're afraid of, and then we can create products and services based off what they're telling us. So that minimally viable product that we can create already has an audience, already has clients that are ready to jump into it, and that's exactly what happened with Podcaster's Paradise.

People were asking me, "John, how do I rank higher in iTunes? How do I get guests for my podcast? How do I do any number of things that it takes to actually create a successful podcast to monetize and grow even just create the first couple of steps?" And for me, it was so obvious to take that next step and to create Podcaster's Paradise which is the community to create, grow, and monetize your podcast.



And now as we sit, Pat, we have over 530 members within Podcaster's Paradise and it's not cheap to get in. We've been continuously raising the price as we've added value to Podcaster's Paradise and now it sits at \$997. And I will say another great thing about 2014 besides it being the year of the podcast, Pat, is truly the year of the live webinar because once a week, Kate and I do a really fun, free, live webinar for podcasters where we just share everything, the inspirational things that are going on in the podcasting world, some great tips, tools, and tactics about podcasting.

And then we do a deep dive into [Podcaster's Paradise](#). And 92% of our sales happen on those live webinars, Pat, which I know that you've experienced a great success with Clay Collins in [LeadPages](#). We're finding the exact same thing for live webinars.

So that's just two great takeaways. Listen to your audience to create a product and then be willing to get on and just give away a lot of stuff for free via live webinars and show people exactly what they're going to get.

Pat: Yeah. I mean the live webinar thing has been really successful when I did it. And I will be honest with everybody out there, it's scary. It's a scary thing to do these live webinars.

John: Yes!

Pat: And it's funny because I know I go on stage and I speak and for some reason, I still get the heebie-jeebies before getting on to a webinar and I think that is something I have to get over because webinars are definitely working. I've seen it work for you, John. I've seen it working for Derek Halpern, and Amy Porterfield. I mean if you go on Facebook at all, you'll see probably one of you three in your News Feed with the sponsored post and I know a lot of people see those and they wonder what the strategies behind that. So let's get a little bit deeper into the strategy behind that.

So you create a post and you're targeting specific things to point that ad to or to have it enter people's feeds. How are you targeting those ads?

John: That's a great question. So we are using Facebook ads to incredible success. Basically, Facebook ads, LeadPages, and Infusionsoft are the only three tools that we need to be running these webinars. So I have a great team. We have one expert on my team that's a pro at Facebook ads and you actually know him, Pat Flynn. It's Rick Mulready and he's just – he knows what he's doing. He does great work when it comes



to Facebook ads. And then also, we have Valerie Shoopman who is working behind the scenes doing great Facebook ads for us. And we're targeting people that know, like, and trust entrepreneurs, Pat, like myself, like you, like Amy Porterfield, like Lewis Howes, who have these great audiences that potentially those people would want to jump on a webinar to learn more about podcasting.

So our latest Facebook ad which I saw that we actually went back and forth with, Pat, which is me on a boat with a spear. It's kind of a fun picture. I'm stabbing like basically Jaw's type figure and I'm saying, "Stab fear in the face and start a podcast in 2014." And we're having a lot of fun with it and that's drawing people towards it. When they click on that image and it takes them to a webinar sign up page where they can sign up for this free live weekly webinar.

And what's that doing, Pat, is that's driving hundreds of people on a weekly basis to this free live webinar where I'm then giving away all these great valuable information. And then during the last half, I'm actually taking people inside of Podcaster's Paradise, showing them the 120 video tutorials, showing them the thriving community forum, showing them the live webinars that we've done with people like yourself, Pat, Amy Porterfield, Michael Hyatt who have shared some great insider tips, tools, and tactics about podcasting and then saying, "Hey guys, we just gave you some great free value about podcasting then we show you Podcaster's Paradise, if you want to join, here's a promo code. We'd love if you did and let's go."

And again, 92% of our sales are happening on those live webinars because at that big ticket price, Pat, at that dollar amount, people aren't just going to go to a sales page and say, "OK. I trust these people. Let's buy." They want more. I welcome people. I say, "Hey, we have Bill from Ontario. We have Sarah from London." And answer all their questions live time. I'm there answering questions sometimes for 30 minutes after the webinar is done just having a blast. But I'm building up trust and rapport with them so that buying decision is a natural one for them.

But the thing I'm proudest most about, Pat, and I'm sharing this with Amy Porterfield at a party on Saturday, we have a 0.7% refund rate in Podcaster's Paradise, and that's what I'm most proud of.

Pat: Wow, 0.7%! That's less a percent refund rate.

John: Yeah.



Pat: Well, congratulations. That's awesome.

John: Thank you.

Pat: I mean kudos to you for creating a community and also obviously creating something that works for people. So, let's – I mean I want to break this down a little bit. First, going back to building an audience, I think that's definitely the most important thing. A lot of people try to create products even before they have an audience or understand an audience. And there's nothing – I mean I don't want to say it's easy because it's not.

But when you have an audience and you can tap into them and get direct feedback from them to help you create a product that would be perfect for them which means it would be perfect for a lot of other people in the same audience, I mean that's the way to go. And a lot of people do it backwards. They think of a product and then they find the audience.

Well, everything I've done that has been successful and obviously what you've done is you build the audience first and you let the audience tell you what that product is. And oftentimes, it's not going to be what you expect.

Now secondly, how you're running these ads on Facebook is really interesting. And to comment on that image really quick, there was some little – the image was nothing like I've ever seen before. And I think an image is supposed to do that. There was a little bit of a negative backlash from some people about the idea of spearing a shark and PETA would be all over you or whatever.

I mean there were some jokes about that in the comments. But I mean it's eye-catching and that's the point of that. And that's to sort of grab people's attention in that News Feed and then you're explaining, "Well, here's what you can get and here's something free that I'm offering you." And I really love that.

And so just to clarify, you're using Facebook ads to drive people to an off-Facebook page which is run by LeadPages to capture emails.

John: Exactly.

Pat: OK. So it's off of Facebook. How much are you paying for per lead if you don't mind me asking?



John: It's between \$2 to \$3 per actual conversion, so we can actually track the conversion pixels to show that per actual webinar sign-up is typically costing us between \$2 to \$3.

Pat: OK. And for those of you listening, that pixel thing that John was talking about, what happens is, you can add this little script on your sort of goal page whether it's like your checkout page for example where Facebook will actually track to see how many people who clicked on the ad get to that page. And it takes a pixel or an image to sort of process that and for them to calculate it. And so, that's how John is able to track that. And I've used that before too. So absolutely, if you're running any type of ads, you should be tracking.

So you're using LeadPages and that's going into a live webinar. And it is truly a live webinar. It's different every time, right?

John: Every time. I've never run a recorded webinar. Everyone, it's me on there 15 minutes early welcoming people as they join, interacting with them, and again, answering live questions on the webinar at the beginning and end. And Pat, like you know me, I really take after you as far as loving transparency. So I mean I will share it all as far as the numbers.

And to give you the quick rundown, it does cost us that \$2 to \$3 per conversion to a webinar sign-up. And then about 30% of people that are actually signing up, so for instance if 200 people sign-up, we're having about 60-70 people show up. Then of those 60-70 people that show up, we're actually having about 30-33% of people purchasing on that live webinar. So like a real numbers breakdown would be, we had 200 people sign up for the webinar last Tuesday. We had 75 people show up. We had 26 people buy and of those 26 people, we were able to track using that pixel conversion, 20 of them directly to the Facebook ad. So they saw it on Facebook, they signed up and then they bought.

So 20 of those 26 people that bought on the live webinar were for the Facebook ads, we spent \$1,800 in a week on Facebook ads which converted to \$14,000 on the webinar because it's \$700 per lifetime membership on the live webinar. So those numbers definitely work.



Pat: Yeah. I mean that's the trick here is you have to really look at the numbers and when you think about this, I mean OK, you're paying \$1,800 which might seem like a lot. But with \$997 – or what did you say? \$700?

John: It's \$997 but we do a \$300 discount live webinar.

Pat: Oh, OK. So three sales would already make up the cost of the price of ads plus if you're a business, you can write off the cost of those ads as well.

John: That's exactly what happened.

Pat: Tax-wise.

John: Tax-wise, you can write them off. And we had the 20 sales off of that \$1,800 so above and beyond the tax write-off and already making back that ad revenue we spent out. We were well into the green.

Pat: I'm learning a lot here, by the way. Thank you.

John: Cool.

Pat: I mean this is so cool. And then as far as the webinar is concerned, I think everybody who is interested in this sort of strategy, I mean that there's a lot of people who are great with Facebook, Amy Porterfield of course, Rick Mulready, those are people you should pay attention to when it comes to understanding Facebook. And then there's of course, [LeadPages](#) and how to increase conversions into your webinars and things like that, that's Clay Collins and the people at LeadPages.

But as far as the webinar, the actual webinar is concerned, and I love how you mentioned that you're just providing massive value and then you actually take people into your core. So imagine that people, if you have a course, that's the best way to do it. Show people what they're going to get before they get it. That's sort of breaks down all their security barriers. They know exactly what they're going to get before they spend that money with you.

I use the same strategy with my products that I sell as an affiliate because I want to treat the products I sell as an affiliate as if they were my own products. And if I have my own product, I would walk people through exactly what that course was like so they could see it because I don't want people to go in the course and end up there and be



like, "Oh, this isn't what I expected." You want people in there who are already jazzed up and just excited to be a part of that community. Am I right?

John: So big, Pat. Like me taking people inside the Podcaster's Paradise, showing them all the 115 video tutorials, walking through each one of those, and actually taking them into the resources page and showing them the templates and the document samples and then taking them inside the forum and they can watch live conversations happening as people are answering questions.

And then of course, go to the webinar page where you, Michael Hyatt, Amy Porterfield have given an hour plus of your time and then taking them to the paradise maps where everybody is pinpointed all over the world that have opted into that, that is huge.

And then being able on top of that say, "Hey guys, we just showed you everything that you're going to get and you have a 30-day no questions asked money back guarantee, shoot us an email if it's not for you and we will happily give you an immediate refund." It's almost one of those things where if you want to start podcasting, why wouldn't you do it?

Pat: Yeah. I mean that's a great structure. And for whatever product that you might have out there for those of you listening, that's a great – I mean you might as well test this I think. I mean you want to try it out and give it a shot. And I know webinars are scary. I already said I'm a little bit scared of them. And that's actually partly why I've been doing these free Google Hangouts every couple of months is to get me used to interacting live.

And I know I do it on stage already but there's just – I don't know. I got to get over that fear. And I hope that shows you that even – I know I've been doing pretty good online and stuff but I still get fears and I still have to know that I have to breakthrough those fears in order to find more success.

But if you wanted to get some more information on webinars specifically, Lewis Howes was on Smart Passive Income Podcast way back in [episode 28](#).

John: I remember that one.

Pat: And that's a great one, a lot of people talked about. So if you're interested in this strategy and you want more information on webinars specifically, head on over to [episode 28, SmartPassiveIncome.com/session28](http://episode28.SmartPassiveIncome.com/session28).



Now, I didn't mean to spend this much time on Podcaster's Paradise but I think I really had to go deep into how this worked and to the mechanics of it for everybody out there and also for myself to sort of understand this more. So first of all, congratulations to you. I mean what really gave you the idea to do that or were you modeling somebody else and was it always successful, the strategy?

John: It was truly an inspiration from Fire Nation, Pat. The emails that I would receive, they formed Podcaster's Paradise. Every email that I got was archived and I put them into themes and I broke it down and they built Podcaster's Paradise. And I will say it was a success from the beginning. And not everything I have done by a long stretch has been successful. Many things have flamed out and burned out and failed but Podcaster's Paradise worked because number one, I got all of it from Fire Nation and that audience that I built that you talked about. That's so important to build that audience.

And then Pat, I presold it. Back in September, I said, "Hey guys, I'm thinking about creating Podcaster's Paradise. This is what it's going to be. If you want to get an early bird special, you can pay \$197 now for a lifetime membership. It's going to double immediately after this weekend if I decide to go forward with it." I had 35 people signed up and almost – whatever that dollar amount is in sales. It was enough to make me realized that, "Hey, this is real. I can go forward with this. People have taken out money for something that doesn't yet exist and they've paid for it. They approved that concept."

Kate and I went to work over the next month and then we launched on October 31st. And since then, Pat, we've done \$260,000 in Podcaster's Paradise sales.

Pat: That's awesome. And it's all because you took a chance you validated it. I mean your audience validated it for you.

John: Yeah.

Pat: Before we move on to sponsorships, I think another really important point is and I don't mean to disrespect you at all, I mean obviously not ever, but you're teaching podcast, I have a podcasting tutorial, Cliff Ravenscraft is the head honcho when it comes to teaching people podcast, like when you created this, I mean you tell me what made you feel like you were qualified to do this? I mean obviously, you've had success with Entrepreneur on Fire but I mean there were other people teaching podcasting



already and yet, you were still able to create this and be successful and people are loving it. Why?

John: I really believe again, it goes back to Fire Nation. The audience that I built was coming to me, Pat, in the multitudes asking me questions, wanting me to answer these, "John, how do you get these sponsorships? John, how do you do this? How do you get these great guests, John? How do you get Gary Vaynerchuk twice? How do you get Pat Flynn twice? How do you get Amy Porterfield twice?"

Like I was getting these very specific questions that were being asked specifically to me and I remember the conversation because I was in the Podcast Mastermind with Cliff Ravenscraft when you came out with your podcast tutorials. And Cliff was very vocal when he said, "Pat, came to me first because he's such a nice, genuine guy." And I said, "Pat, of course you should create that because there are going to be people that want to learn from you, your audience, just like me, Cliff, people are going to learn specifically from me." And that resonated with me that Cliff was just so genuine and just so respectful about that and I knew that that was the case with Podcaster's Paradise.

There is just going to be a certain amount of people that wanted something a little more, that wanted the forum and the hundreds of video tutorials that I was going to create that I had envisioned. And so, that's why I created it.

Pat: Who only want John Dumas, and I'm not even kidding. I mean I'm so glad that was your answer because that's where I was hoping you would go. We didn't plan this conversation before.

John: No, not at all.

Pat: We were just going to free flow but I asked that question to sort of teed up for you and you hit a hole in one. Even though people are talking about the same thing, you are the only you out there and you have this audience that resonated with you. So of course, the thing that you created would be successful just like when I created PodcastingTutorial.com, which is a free resource.

John: Seventy thousand views I think, right?

Pat: Yeah, 70,000 views on that first video. And even then, Cliff has his LearnHowToPodcast.com resource and his Podcasting A to Z resource. And people want



Cliff. People like Pat. People like John. And for those of you listening, people want to deal with you too if you are able to connect and create a real relationship with your audience. I mean that's obviously something that you've done really well, John. So kudos to you and thanks for hitting that hole in one when I set it up for you.

John: Well, I really do appreciate that, Pat. Thank you for tossing me that softball. I do – before we run off this topic, I think one more really powerful that you did bring up and we kind of brushed over a little bit was you started doing [Google Hangouts](#), Pat. And so, a lot of people when they think about webinars they're like, "Oh my god, I got to get a \$400 a month GoToMeeting account and have people like sign up to this crazy thing."

No, it's so easy now. I do all of my webinars, Pat, every single week using Google Hangouts. I take that link from YouTube. I paste it into that LeadPage page that just streams the actual YouTube live feed. There's a little chat box below. There's a buy now button right to the right and it's free, it's unlimited number of people, and it's so easy to set up. The barrier is so low, Pat.

Pat: Yeah. I mean Google Hangouts is a little bit more technical than say, [GoToWebinar](#) as far as how to set it up. And the first time you run it, it's a little confusing. But once you get it, I mean because I've been doing a number of these, I mean it just become second nature or you create a procedure list and just run off of that. But yeah, I mean absolutely. I mean that's why I love Google Hangouts. It's unlimited I think up to a million which if you had a million on your webinar, that would be awesome.

John: It's a goal. I'll hit it.

Pat: But that's so cool to hear that you did that. I don't even know you did that. So don't think that you have to spend \$400 a month or if you go to a lower price, I think it's like \$99 for a 100 people. I think it's \$399 or \$499 to have a thousand people on at a time for GoToWebinar. It is a great product though. I've used it before but I'm experimenting with [Google Hangouts](#) because I know that's sort of around the same price point that a lot of people would rather have.

John: Free.

Pat: Free, yeah. Just for a time. So anyway, let's move on to sponsorships, something that you've been doing a lot of on your show. And I love to get sort of a rundown of



when you started introducing sponsors on your show because I think that's a really important question that people have. "Well OK, I have a podcast or I have a blog." And it doesn't have to be just a podcast. It can be any sort of manner that you have built an audience that gives you an opportunity to have these other companies come in and get in front of your audience. There are of course, pros and cons to that. There are right ways to do it, wrong ways to do it, things you have to look out for. But when would you recommend even starting that process? Because obviously, if you have ten listeners or 100 blog readers, that might not be enough or is it? What say you, John?

John: So I'll run through my story very quickly. When I launched [Entrepreneur on Fire](#) in September of 2012, I was adamant that I was going to focus solely on building an audience because Pat, I've been listening to people like yourself and reading the books by Tim Ferriss and I knew the importance of building the audience and that was my only focal point and I had no runway and I didn't need to monetize right away. So for the first six months, I was so focused on just building that audience and not doing anything that may detract from building that.

I will say at the sixth month mark, I had a lot of traction. I just got done speaking at New Media Expo, which was in January. I had some great guests that were just on my show like Tim Ferriss and Seth Godin. I was getting at that point hundreds of thousands of downloads per month. I was ranking very high in iTunes. So I was actually approached by a company that said, "Hey John, we love what you're doing. We actually are a broker for sponsors. Would you ever consider having sponsors on your show? We only bring sponsors that make sense for your audience. They will be very entrepreneurial product and service-based sponsors. What say you?"

And I said, "Well, let's talk about – let's get on a conversation. Let's hash out the numbers and see if it makes sense." Because Pat, in my mind, I had my number and I think it's very important for all the listeners and people who are considering bringing on sponsors. Have a number. I mean there should be a minimum dollar amount that you won't go under to bring sponsors on because you should respect not only yourself and your podcast but your listeners as well.

So my number was \$500 per episode. I knew that if I could generate \$500 per episode, having 30 episodes per month that would be about \$15,000 a month in sponsorship revenue and that would be enough for me to say, "OK. Let's bring on sponsors, the right sponsors." And for me, that happened at the sixth month mark. And I was approached by that company who said, "Listen, Audible, Squarespace, LegalZoom, 99designs, they're very interested in sponsoring your podcast. We can sell out your



sponsorship slots.” Because again, we talked with this company and I decided with their help that two sponsorships per episode was the max. I was never going to go over that and I never have. Just going to three sponsorships per episode seemed way too much. Two seemed like a good number and that was what we settled on.

So when that \$500 number could be hit which again, was at my sixth month mark, that’s when we started bringing sponsorships on. So that was my first run in with sponsorships was actually in April of 2013 and since that time, Pat, I’ve been having at least one and almost always two sponsors on every podcast of Entrepreneur on Fire. And where it started at \$500 per episode, we’re now with our increased in downloads, at \$1,400 per episode, which is why in our last income report, we generated just under \$40,000 in sponsorships revenue for January of 2014.

Pat: That’s crazy. That’s incredible. I have a few questions for you. Why \$500? Like where did that number come from? Like why was that your minimum?

John: It was a round number. It was a number that I could wake up in the morning and say, “Awesome like I’ve made \$500. My episode went live at 3AM. Now, let me focus on the rest of the day.” It was a number that again, I really valued my guests and I valued my podcast and I really valued Fire Nation and I just didn’t want to really sell out for anything less than that. Sell out is not really the right word but I didn’t really want to compromise the integrity of just the content for anything less than \$500.

And I definitely wanted to make sure that the sponsors were a right fit. So I got on the phone with each and every sponsor and we’ve talked about what their products were, what their services were. I tried them out. I got a Squarespace account. I tried LegalZoom, filing an LLC, like I went through all these different things.

One of my most fun memories is Trunk Club reached out to me and I said, “Well, I want to try a trunk.” So they sent out a trunk and it was an amazing experience. So they were a sponsor and that was a lot of fun. So I’ve definitely always been a big fun of vetting out anybody who I’m going to associate with Entrepreneur on Fire because I treasure Fire Nation and I would never want to do anything that I didn’t feel was in their best interest.

Pat: Right, right. And that’s where you and I definitely in line, John, because our audience is – I mean without them, we wouldn’t be anywhere.

John: That’s it.



Pat: I mean we do anything for them. Now, what was your audience's reaction when you started introducing sponsorships? Were there any negative blowbacks or what was the response?

John: Man, I was nervous, Pat, because again, I'd gone six months without it. I didn't see really that many people in my niche and specifically nobody who was going to be doing as many podcast sponsorships as I was. I was going to be doing 180 spots a quarter. I mean that's a lot of sponsorships. I just didn't see anybody doing it at that level so I was nervous about the blowback.

I remember when April first came and the first podcast went out, I went to my email kind of like crunched up like refresh and I was like, "The deluge is about to hit me." And full transparency, I got a couple of emails saying, "John hey, I listened to the podcast. I was disappointed to see that you've added a couple sponsors to your show. It just seems to kind of take away from it a little bit."

But I will say that that was truly the minority. I had a lot of emails from people that say, "John, I know how hard you work. You give us this free content on a daily basis, so much value. You organize it, you release it, you edit it, everything, and here you are."

These sponsorships, Pat, they're not super invasive. I mean there's a 15-second at the pre-roll which is right at the top of the show and then 60 seconds in the middle right before my lightning rounds. So it's not super invasive. And they're like, "We understand that of course, you should be monetizing at some point otherwise, Entrepreneur on Fire is going to go away. So we'll take 75 seconds of hearing about 99designs and why they're a great company to make your logo and to keep Entrepreneur on Fire around and continue to be inspired by people that you bring on."

Pat: Yeah. I mean whenever you change something no matter what that change maybe whether it's a new redesign of your site, a new logo, adding sponsors on to your show if you hadn't done it before, you're always going to have some people that are going to speak up. And I felt that negative – I got a little bit of negative blowback when I released Breakthrough Blogging.

And typically, if you've been providing value for so long, that negative feedback is going to come from a very small minority of your overall sort of population of your audience. And you have to keep that in mind. It is a scary thing and I know we love to put



negativity at the top of the totem pole when it comes to we spend all this energy and we think about that one negative comment when there's hundreds or thousands of people who are excited for you or who are supportive but we always think about that negative person or that negative comment.

I mean it's just the way we are as humans. But you have to remember, you have to understand why you're doing that change and if you're doing it for the right reasons then good for you.

John: Well you know Pat who says this so eloquently who you've recently had on your show and I actually just had on Entrepreneur or Fire as well, and this topic came up both times and that's [Ramit Sethi](#) where he talks about the vocal minority and how it paralyzed him when he first started releasing a \$24 product and how it stopped him from moving forward.

And just really for your listeners, Pat, and for my listeners, the value there is just there is always going to be that vocal minority but think of the thousands and thousands, that silent majority that are getting so much value, that are being inspired by you literally around the world.

Pat: Yes. So there's a right way to do sponsorships and a wrong way to do it. There are pros of course and there are cons. And I'll start with one of my sort pet peeves with sponsorships. And I'm not trying to say anything about your show. I mean your show is great. But one of the pet peeves I have with just sponsorships in general is they sort of – they're not what I'm they're for.

They interrupt or I go to listen to an episode about topic x and then I get a minute of product y which has nothing to do with product x for example. I mean I'm not going to mention any specific shows but I don't listen to a lot of those shows anymore because it just became too much.

So how do you if you are – I mean I think adding sponsor – I mean you did it a great way I think because the products and the companies that are in your show align perfectly with your target audience. That's obviously mandatory I think. If you're going to do this, you have to have products that align with your audience. I mean that has to be the case.

I mean if for example, you started running ads for Iams dog food, like that wouldn't make any sense and there's no value add for your audience too. By adding sponsors



with companies that align with your vision and your goals that you're actually in a way adding more value to the show by giving people these resources. And what I love about the sponsorship idea is that you are not asking your audience for more money. It's not like you're selling them anything or asking them to exchange money. The money comes from the company. That's for a little bit of extra time. So a lot of things going on there.

John: Well, I will say Pat, first off, I wrote [this article](#) on podcast sponsorships where I really wanted to show both sides because I'm a huge believer that there are both pros and there are definitely cons to podcast sponsorships. I mean I think you did a great job talking about the cons so I won't dwell there a lot and just reiterate that but I do want to say that I agree with everything that Pat just said about the cons of sponsorships as an interrupter, et cetera.

For me, I always take the time to really sit down with my sponsor and say, "What are you going to add to Fire Nation?" And for 99designs they say, "Well, how about if we give them a free \$99 power pack? So if they want to go get a logo or design and they go to 99designs.com/fire, they'll get a \$99 power pack towards their logo to improve their overall contest et cetera."

And LegalZoom is like, "Well, what if we give them \$250 of these really targeted giveaways that we are only offering to people that use the offer code fire." And then for Audiobooks they say, "We will give your audience a free audiobook and a 30-day membership where typically we only are giving an 8-day membership so this is a special offer for your audience."

So if you can find sponsors that a) align with your audience and my audience are entrepreneurs, they're wantrepreneurs and small business owners. So 99designs, LegalZoom, Squarespace makes a lot of sense because that audience uses these products on a daily basis. And it's very obvious that Fire Nation is taking a ton of advantage, Pat, of all of these offers because these sponsors that I'm talking about have been sponsoring Entrepreneur on Fire on an on-going monthly basis for almost a year now.

And unless the ROI was there, sponsors would never be continuing. So they're seeing incredible ROI. I'm seeing incredible return for my effort which is allowing me to continue Entrepreneur on Fire and my listener is getting a deal for a service they would have used in a better promotion or a better side benefit to that product or service. So if you set it up where you want everybody to win then there really can be that win-win-win.



Pat: Yeah, and I think it's important to make sure that when you are having advertisers on your podcast or on your blog that it is a win-win for everybody. And the worst thing to do is do it just for the money. Yes, the money is there but if you do it just for the money, you're risking that trust that you've earned from your audience especially if you're recommending products or you have links on your site or promos in your podcast for products you've never used before or that you know won't take care of your audience.

John: Totally agree.

Pat: Now, how do we approach sponsors? I mean you said that a specific sort of company or a brokerage company for advertisers approached you. Not all of us are lucky enough to have that happen to us. How would a show, a podcast, or a blog even approach a company to be a sponsor?

John: It's a great question and I actually have a pretty cool story about real-time how I did it. I was having a lot of people email me and say, "John, I love Shopify like Shopify is just so much fun. I'm having a great success with my Shopify store." Like it was just this thing that was coming up and all of these emails I was receiving. So randomly one day I'm like, "I'm going to tweet @Shopify."

And so I tweeted @Shopify and I literally say in my tweet, Pat, and this is months ago but it said, "@Shopify, you should be sponsoring Entrepreneur on Fire, Fire Nation loves you." And I literally got a tweet back that said, "We've been talking about sponsorships. Email us here." And I emailed them.

The next thing I knew, the next day, I was on the call with the account manager at Shopify and they became a full quarter sponsor of Entrepreneur on Fire. Shopify became a full sponsor from that one random tweet because I was listening again to my audience who told me what they were using and I said, "Well, if my audience is telling me they are using this and they love it, obviously, they would be a great sponsor. Let's tell the rest of Fire Nation about it." Bang, bang, bang, next thing you know, I've locked them down for \$7,000 a month for three months. I mean that was \$21,000 tweet.

And there are other ways to go about it too. And another way that I've gone is just go to the actual website of the company. Go down to the bottom of the page and nine times out of ten, if they're a company that sells products and services, they're going to have an affiliate's tab. And if you click on that affiliate's tab, that's going to put you in



email contact with somebody that's in charge of that area and you just compose a very nice template and we actually – that's some of the things that we really offer to much success in [Podcaster's Paradise](#), so there are templates, how to pitch a sponsor, all those different things.

And get your response back and you then you start working things out with the sponsor talking about the CPM rate, the cost per thousands for the downloads. And if we want to get into like the specific numbers, Pat, we definitely can because there's the "mass" side of sponsorships which to me is really exciting because the more the numbers work the more money you make and it's just a great thing.

So that's another way that I've gone about getting sponsors. One was the random tweet. One was doing a little more research and actually diving into a company that I know would work in getting in contact that way and then bringing them on board.

Pat: Yeah. I mean I think the random tweet was interesting and I don't think a lot of the listeners are going to experience that same thing. I mean maybe. But I think you had enough clout at that point, maybe followers on Twitter or enough people in your audience also tweeting at Shopify to capture their attention. So if you have that audience, definitely, that's a great approach to take especially after listening to your audience and sort of paying attention to what they are interested in or what products they already use.

I mean that's a genius way to do, "Hey guys, what are the top five apps and products that you use?" Listen and then approach those companies and say, "Hey, I have people in my audience that use you guys. Like you are perfect, you are perfect for my audience. Let's talk." That's really cool.

But I think your second approach is just reach out. What's the worst that can happen? They'll say no or they won't respond. But what's the best that can happen? They'll reply and you'll work out a deal. Now, when do you feel someone should when they have a brand – I can imagine some people and this was me in the beginning, being like, "Oh well, I don't really have that big of an audience so they probably won't pay attention to me." Or, "I don't really have that many things to offer. I have a few thousand downloads a month and that's it. Is that enough?"

John: So let me pre stage that by saying there are really two ways to go about this. Number one, I am a believer that you should have a number. And with my number, Pat, being at \$500 that meant that I needed to be having 3,000 downloads per episode



which is a pretty big number. I mean that puts you at a pretty high level for a podcast. I know that you're in the 40's and 50's and that right now that I'm approaching – I'm over 20,000 so our shows both continue to grow but back in April ...

Pat: We'll talk about the numbers, everybody, in a second.

John: Yeah, we'll definitely dive into that.

Pat: We'll get into that because that is really interesting. But keep going.

John: So at 3,000 downloads per episode, that was equating to me at \$500 per episode and that made sense. And I think that that's a good start for a lot of people but at the same time, a really key point I think for everybody that's listening is that the powerful thing about sponsorships is that the sponsors pay a proportionate rate. Meaning, they love sponsoring [Entrepreneur on Fire](#) as much as they'll love sponsoring another show that may have 1/16 as much downloads because they're paying 1/16 as much. So their ROI is going to be the same as it is for me.

They're paying to get in front of my 20,000 listeners just like they're paying to get in front of somebody's 1,000 listeners but 1/20 as much. So sponsors just love the opportunity to get in front of an audience whether big or small because they're paying the exact same proportionate rate. So that ROI for them is always going to make sense.

What I really want to stress is that it has to make sense for the podcast host. And you want to make sure that you do have an audience that is responsive like Pat's, like mine so that when you do bring sponsors on, you are providing that ROI because your listeners do know, like, and trust you so they are taking action.

Pat: Yeah. No, absolutely. And I have to tell a quick story. When I first started introducing sponsors to Green Exam Academy, actually when I first started sponsorships or private advertising is what I typically called it back in the day, when I reached out to these companies – actually to be honest, it was the company that reached to me and they did practice exams for the LEED exam which is what I wrote a study guide for.

And they apparently heard of me. They wanted to get in front of my audience. And they sent me an email, "Pat, we want to place a banner advertisement in your site but we want to sponsor your brand a little bit and get in front of your audience. How much does it cost?"



And I had no idea what those numbers were. But I was so excited to get asked that I was like, "Fifty bucks!" And they were like, "OK. Absolutely." And then I was like, "They responded pretty positively really fast. Maybe I should have said more." And then the next month, I increased it to a 150 and they were like, "Absolutely." And I eventually got to the point where I was earning \$350 to \$400 a month for about four different companies that were placing banner ads on the side bar.

Now, this reminds me of something, before we get into the numbers and we'll finish with that because that is really interesting as far as how all that breaks down and we'll try to make it as clear as possible for you, but this also reminds me of, OK, you can potentially have a company come on as a sponsor but a lot of these companies also have affiliate programs where you can earn a commission if you produce a sale for them. Where do you draw that line? How do you know which one is better?

John: So, that's a great question and that really comes to the numbers of the two options that you can go with, the CPM, which is basically in the podcast world as a cost per listen and the CPA which is that cost per acquisition. And so, there are definitely two ways to go about it. And I love for people to start, Pat, with the CPA model. And for anybody listening right now, there's a great way to do that.

And really before I get into that way to do it, the reason why I love that method, Pat, is because that's a way for you to test and see if your audience is responsive. If you're actually getting conversions on a CPA then you know your audience is really responding to your offers so that when you take on a sponsor on a CPM method where they're going to be paying you a flat rate per episode, you know you're going to return it for them and knock it out of the ballpark. So that's a great method to go.

So for me, I went to Audible.com and I signed up as an Audible affiliate and then they just gave me a link, Audibletrial.com/fire. So on [Entrepreneur on Fire](#), I would just try that out, Pat. I would say, "Hey guys, if you want a free audiobook, just go to Audibletrial.com/fire and you'll get that free book and a 30-day trial." And then I would see my actual cost per acquisitions ticking up. It was \$15 per acquisition. So I'd be like, "Oh, I did six today. OK. I did nine today. Whoa! I did 15 today." Like these numbers are starting to add up.

And that's when Audible reached out to me and they were like, "Whoa! You're doing a great job. Why don't we switch you over to a CPM method where you're just going to be guaranteed a certain rate and then we'll sponsor the entire episode? That's the way



that we love to do things.” And so I thought about it and I weighed it and I did random numbers and it just made sense. So then I brought them over to a CPM model which was cost per thousand listens.

And Pat, for the CPM model, right now the industry standard for podcast is \$43 per 1,000 listens. So for the end of December, which was when I was locking down Q1 for 2014, so Q1 is January, February, and March, back in December, I was averaging about 16 and a half and to 17,000 downloads per episode. So I set my “CPM” at 16, you multiply that by 43, which is the dollars per 1,000 listens and that meant that my sponsors for Q1 are paying \$688 per episode. I have two sponsors which is generating that just south of \$14,400 per episode.

Now that I’m over – I’m well over that, so Q2, we’ll go back and adjust to a 20 CPM, to 20,000. And then that will just up my numbers even more. So as I continue to grow my audience that side of the CPM model continues to grow.

And again, Pat, we are talking numbers and we can break it down as much as you want to but I do want to just share with your audience right now, that might be trying to write this down like as they’re like driving or something that I’ll send Pat this really awesome PDF that breaks this down like perfectly. So it will be in the show notes page on Pat’s site so you will just have that which will just explain it. And what’s really cool about this PDF, Pat, is that this is what I use to send to my sponsors. It’s very professional, it looks great, and it shares a lot of awesome info. So people can actually use that template to create their own and send to sponsors for their show.

Pat: That’s cool, man. Thank you for that. That was unexpected so that will definitely be in the show notes here in this episode and I’ll share the link with you at the end here. But again, when you’re talking numbers like that, it obviously makes sense to do the CPM sponsorship model versus if you were to calculate, I don’t know what the commission was with Audible but your commission times the number of sales would be far less that point.

John: Far less.

Pat: But for some people, like for instance, myself, if I were to get for example Bluehost who is the hosting provider that I recommend and use, not for Smart Passive Income because Smart Passive Income kind of outgrew that I think. I mentioned that and people were like, “You don’t use Bluehost for Smart Passive Income.” I’m like, “I



don't because I outgrew it." So I am on a dedicated server elsewhere but I still use Bluehost for a lot of my niche sites and stuff. I mean that's where I started.

But anyway, if I were to get sponsorships for my show for example, from Bluehost, it would be farfetched to expect that I could potentially get \$30,000 to 35,000 a month from them for sponsoring a show versus I know that I make that much money through commissions. So you do have to run the numbers.

John: I do want to make a point there, Pat, is that when you have a podcast sponsor, they don't own you, Pat Flynn. They don't own Smart Passive Income. So what I would recommend if I was advising on that situation would be, "Pat, Bluehost ..." when you're on Smart Passive Income, you can say, Bluehost.com/Pat. That will take them to an affiliate link where you could get a nice cost – or that affiliate link that you're sharing with them would send them so they could track that analytics and they could see that their ROI is awesome from that analytics just from your podcast so they could be paying you a nice CPM for that.

But your website should still be your affiliate link going through Bluehost. So you could in that manner be kind of double dipping but at the same time, they're sponsoring your podcast. They do not own your website. Those are two separate entities.

Pat: No, great point. No. Thank you for that. And with that, I want to get to as we wrap up, John and I talked a lot in the last couple of months and he's actually the one who helped me inspire or he was the one who inspired AskPat.com.

John: Yay!

Pat: So thank you for that. Because I – again, the brief story behind Ask Pat was I love answering voicemail questions from the audience. I love doing that. But the problem was my episodes were already long. I mean this one is already 50 minutes long and it would add another 10 ten minutes to the end of the show. It would often change the topic. And as much as people love hearing the SPI community at the end of the show, it would just kind of drag the already long episode. And so I stopped doing that.

And after sitting down with John and getting an understanding of how he was able to produce a daily show, I mean seven days a week, and John, you're still a machine, you're a beast. But Ask Pat currently is five days a week. And I've gotten the systems down. I have a VA in place to help me edit those shows and that's again, thanks to



John for helping me out to figure out how those systems work and it has been going really well. So John, thank you for that.

But you also inspired me to explore the idea and test the idea. Again, that's exactly what I do here on Smart Passive Income. I do trial-error ones. I do experiments. I'm a crash test dummy. And it would be sort of irresponsible for me to not give sponsorships a try so I can talk about that process. And that's why I wanted John in the show today to talk about sponsorships and the pros and cons because I want to experiment with that. And that's why you'll hear at the end of this episode the very first sponsor of the Smart Passive Income Podcast.

Now, I know a lot of you might be hanging your jaws open just from the sounds of that. But a lot of the stuff that John talked about as far as making sure it's a product that aligned with the audience and it's not like we're asking anything from you. I'm actually providing more value. And actually, you'll hear the sponsor. It's Audiobooks.com. I actually have used Audiobooks.com for several months.

I'm actually listening to a book right now, Dan Pink, *To Sell is Human* which is quite interestingly enough the title of the book that I'm reading right now for this topic. But I love Audiobooks.com and I felt like it was a good fit. They're obviously paying me money to be mentioned. Not at this portion actually. It was actually going to be just a little post-roll. And that was my rule.

I've had several companies. Many of the companies you already mentioned, John, say, "Pat, we will pay you top dollar." Like I've turned down – there was a couple of companies willing to pay \$5,000 an episode for me.

John: What? Oh man!

Pat: And I said no because – I said, "Oh OK. Well, let's talk about this." And they wanted a minute upfront, at the very top of the show and 30 seconds in the middle and then a minute again at the end. And I just couldn't – I can't imagine doing that to my episodes. And also, having my audience sit through a minute of something that wasn't related to what they were going to that show for. So I had to turn that down.

But this opportunity that came up after speaking to you and talking to Audiobooks.com and what they are able to provide, I mean they are providing the free book download. If you go through Audiobooks.com/SPI, you'll be able to download a free trial. You get a free book. But you also will get and this something that nobody else is doing, you



would get my book, *Let Go*, the [audio book](#) for *Let Go*, my bestselling book for free also.

John: Wow!

Pat: It's only available for free on Audiobooks.com. So again, this is my way and I hope this is an example for you to show that you can add sponsors and it could be OK if you are making sure you're always providing value.

And so, I'm really interested in the comment section of this very episode, I want to hear your reaction and you'll hear me at the end of the episode after I close this interview with what that sounds like. And again, that's my first time so we'll see how it goes. And I'm really excited because obviously, I'm getting paid for this but more importantly, I hope it's setting an example for how to do this correctly. And that's not to say you should never have ads at the beginning of your show. That's totally cool too and a lot of people do that. But for me and for how long SPI has been around, I really feel like this is the only way it will be possible but it makes sense for everyone and it could still be a win for everybody.

So John, what are your thoughts now that I'm sort of implementing a little bit of sponsorships into the show just an experiment? I'm not going to say it's going to happen forever. We'll see what happens and I'd love – I mean the audience is the most important thing so I want to gauge your reaction. I'm sure there are going to be some, "Oh my gosh, Pat. You sold out like you're just money hungry." But if you're in my situation, what will you do? If you were able to create a win for everybody and get paid for it at the same time, would you add sponsorships?

And again, this money will allow me to better serve you too because I'm hiring more people on my team and this money is going to go directly to them typically so I can create more products and be there for you more than I was. So anyway, that's my huge long disclaimer and I hope it doesn't sound like I'm just trying to soften this up as much as possible now that I said everything. But again, I'm just being totally honest with you guys. I just want to be authentic with you guys.

And so, I am getting paid for the sponsorship that you'll hear at the end of the show. We're doing a trial run for two months. We'll see what happens. I would love to hear your reaction because that's what's most important and I'm going to hear the reaction from the sponsor too to see if this converts or not and we'll see how it goes.



So John, your quick thoughts before we finish up.

John: Smart Passive Income listeners, I want to say you guys are awesome and I truly mean that. I mean you're listening to this podcast. You guys are really in that top 1% of people who are taking this time to better themselves. And what is Pat Flynn doing? He is truly being your crash test dummy.

And Pat, I don't think you could have put it better. You are doing these things to experiment, to explore, to test, and then to come back with the pros and the cons and to share with all of your wonderful listeners what to do and what not to do, how they can emulate the successful things but avoid the mistakes because that's what you're here for, Pat. You're here to have them avoid the wasted money, time, energy, and effort and the things that don't work and then take advantage of the things that do work.

So on behalf of me like just thank you for being that crash test dummy. You've been so instrumental in my journey and the fact that you're sharing with me right now that I've had some part in bringing up daily Pat Flynn show to the world is I almost feel like my job in this earth is done like I'm about to hang it up. I'm going to go swim at the bay, Pat, and just like maybe never come back in. But it's such an honor, Pat, to be able to sit here with you and to hear you speak to your audience and to see you grow business and to listen to Ask Pat.

I'm not ashamed to admit, I did all my edits tonight for my interviews I did today. And while I was silencing out the other track which takes some time, I listened to Ask Pat and I listen to almost every single episodes. So I know the value, Pat, that you're bringing with every single episode. So the fact that it exists is incredible and the fact that just as an outro you're going to have Audiodobooks.com giving away your free book, another free book and a free trial, it is such a no-brainer. I'm so excited for you, my friend.

Pat: Well, thank you for that. And you know, for a while, I was thinking of maybe just soft launching this sponsorship just to not say anything about it and see what the reaction was. But I felt like – I mean I was going back and forth with that.

John: You can't sneak anything by Smart Passive Income.

Pat: No. I mean for one, it's obviously better if I say this first before you hear it. But secondly, it's just again, being honest and upfront and show you that this is an



experiment and we'll see what happens. I talked a lot about this with my mastermind groups and they were like, "Pat, like dude, you're going to get some negative blowback. I mean that just happens when you make a change," like I said earlier. It just happens when you have been providing value for free for so long and you start to make money from even if it doesn't really affect people.

People just don't want you to make more money. But then gosh, I can't remember who said it, Jaime Tardy or somebody else in my mastermind group, they're like, "Pat, you work so hard. You do a lot of things above and beyond. You deserve to get paid for it in one way or another."

And I hope you all feel that way too because I know you are all working hard and you all deserve to get paid as well. And so, sponsorships can be one opportunity to make that happen. And I hope you learn a lot from this episode.

John, thank you so much for coming on. We are at the hour now. It's a little bit longer but we had a lot of things to talk about and this is really important topic I think especially with the Audiobooks sponsorship coming in. Thank you to Audiobooks for wanting to work with me and with this experiment. And John, thank you to you and for all the inspiration. I'd love to have you back on, maybe we can recap on things I did right and things I did wrong later on.

John: Would I be your three-peat guest?

Pat: You would be my first three-peat guest, yeah.

John: OK. Then I accept.

Pat: All right. John, thank you so much for your time this evening. And we'll talk soon.

John: Bye Pat. Thank you.

Pat: All right. I hope you enjoyed that interview with John Dumas from EntrepreneuronFire.com. And he definitely is on fire. John, thank you so much for coming on and sharing everything that has been working for you lately. It has obviously been working for you really well and I know it's information that we can all take and use to work for us as well. So thank you for that.



And I want to end this episode with a little bit of a story, sort of a background story about this whole sponsorship thing. And a part of what bothered me about sponsorships on other shows in the first place was that it was very interrupting. It was interrupting me as a listener or it didn't add any value to me or just seem to not fit with the brand that I was listening to at all, which is why with those other companies that reached out to me to sponsor this podcast a while back, this started actually two years ago. I mean some of those companies didn't align with this brand at all. They just saw millions of downloads and reached out. And kudos for asking but of course, I said no. They didn't align with the brand.

So there were other companies however who did align with the Smart Passive Income brand, companies whose products and services I've actually used before. And when they reached out and made me an offer, I said, "Look, I've been doing the show since July 2010. I've had no sponsors for the show ever. I will not start this podcast with a sponsor or an advertisement. I will not interrupt the show in the middle with a sponsor spot or an advertisement. I would only consider, if I were going to do sponsorships, I would only consider working with you at the end of the show especially if you could provide extra value to the SPI audience."

And the five companies that reached out to me said, "No, no. We want the beginning and the middle." And I was like, "I can't do that. I'm sorry. I just can't do that." And when I said no to each of those companies, one of those companies replied and reached back to me and they upped their price. They tripled their initial asking price to an amount that definitely caught me off guard. I mean we're talking not in the upper range of the four-figure mark but not in the lower range either if you catch my drift. But again, I just – I mean I've really had to have – I mean this was a significant amount of money per episode. And I had to sit down with my wife and talk to her about this opportunity and really think about what was important to me.

And it turned out that the money part of it was not most important. And so, I made sure to not even look at that and look more at the experience for the listener and I just had to say no. I mean I even said to a lot of these companies, "Guys, sponsorship at the end would be better for everyone, for the listener because it's not interrupting and if they're an audience that makes it to the end, I mean you can be sure that at that point, they're going to be engaged and listening and ready to take action.

Plus, that's right when they'd be more likely to be closer to a computer or have time to visit a particular landing page after the show is over." I mean it just made complete



sense to me. I mean I don't remember the advertisements that I hear in the middle of an episode. I'm thinking about some of the last things that that person said.

And so, I was like, "This audience, the Smart Passive Income audience," those of you listening in particular, I was like, "Guys, they listen all the way to the end. I mean trust me." I mean those of you listening, you're listening right now. You're at the end of the show, still listening, right? And I know that because I put some fun little surprises at the end of my episode before and I continue to get a ton of emails about those things. One of them was a little scary and I apologize about that but I still get emails about that.

But again, just showing – I was just like, "Guys, people listen to the end. Trust me." And these companies were like, "Nope. We want to basically interrupt your audience in the middle of your show." And I was like, "I can't do that. No, thanks."

And a few months later, I got connected with Audiobooks.com. They reached out to me as a potential sponsor, which Audiobooks is a company that I actually used and still use. I use it to listen to books. I actually don't read books very often. I listen to them. So that prerequisite was there.

I use this company's product already. But then I said the same thing. I said, "Guys, I can't put you in the beginning of the show. I can't interrupt the show in the middle. Personally, it's just not what I'm doing with this show." And then I said, "I would only consider at the end." And I talked about the whole thing like I just mentioned about it would be better for everyone. And they came back to me and they said, "Pat, you know what? We've listened to your show before. We get exactly what you're saying. Let's do it. Let's work together."

And here we are. So Audiobooks.com is the first sponsor that is sponsoring the Smart Passive Income Podcast here at the end of these episodes. We're running a sort of a two-month trial just to see what happens. They're going to see how it converts and then I'm going to see how the reaction is from the audience and how Audiobooks likes working with me and it may or may not be something I can continue to do after this experiment. But that's what I'm all about. That's why I call myself the crash test dummy. I'm willing to see what happens and then report exactly how it goes.

And so, I'm just really happy to be working with a company here who actually gets me and who actually listened to me and is willing to also try and experiment as well. And like I said before, I wouldn't be working with a company if they weren't providing value



to you, the listener as well. And we definitely came up with a scenario that is a win for everybody I feel.

And so again, this is what's going to happen. If you go to [Audiobooks.com/SPI](https://www.audiobooks.com/SPI), that's sort of my landing page there, what you're going to see is in addition to getting the 30-day free trial for Audiobooks.com and in addition to one free credit to download any book in their system, I mean they have tens of thousands of books but you can download any book that you want to listen to. I'm listening to Dan Pink, *To Sell is Human* for a second time right now actually.

And in addition to that, you actually get my book, *Let Go*, the audio version of that which is exclusively on Audiobooks.com for free. So you get the 30-day free trial, you get one book of your choice, and also, you can download *Let Go*, my book, for free. You can't do that through any other link or any other offer. That's [Audiobooks.com/SPI](https://www.audiobooks.com/SPI).

And I want to thank the guys at Audiobooks.com for just willing to work with me with all of this. I mean not just the sponsorship but for putting this deal together to provide even more value to all of you out there. So I hope you check that out, [Audiobooks.com/SPI](https://www.audiobooks.com/SPI).

And thank you, the listener, for all the love and support, for your honesty and for being involved. I mean I really feel like this solution, having the sponsorship at the end of the show, providing massive value is something that is a win for all parties involved and hopefully, I mean we'll see how this goes.

But I feel like this might a great case study for those of you out there who are perhaps worried about including sponsors on your own show too. And again, I would love to hear your voice or your thoughts on this. Head on over to [SmartPassiveIncome.com/session97](https://www.smartpassiveincome.com/session97), that will take you to the show notes and also to the discussion area where you could talk about this. Love to hear what you think.

Again, you guys are what is most important but at the same time, you have to realize that while you're providing value with your business, you have to be running a business too in order to continue to provide even more value. So keep that in mind. Thank you so much for listening in. And I'll see you in the next episode. Peace.

Outro: Thanks for listening to The Smart Passive Income Podcast at www.SmartPassiveIncome.com.