



**SPI Podcast Session #129-
How to Scale Up Your Service Based Business
with Josh Shipp**

Show notes: www.smartpassiveincome.com/session129

This is the Smart Passive Income podcast with Pat Flynn, session #129

[Singing]

Announcer:

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 still doesn't like the sound of his own voice, Pat Flynn.

Pat Flynn: I don't. I don't. But you know what, it's not about me and how I feel about my voice, it's about you and how you are taking in this content here on the Smart Passive Income podcast. Thank you again for joining me today, this is episode 129. A fantastic episode. Different than what we've done in the past because our guest on the show proposed this interesting and unique way of having content be produced out there for you. What we're going to do is actually, our guest and I will be going over real life business and how to scale it. This is what this episode is about.

How do you scale your business and in particular, how do you scale and grow if you have a service-based business that of course requires your own time and you can only grow so much. I've struggled a little bit with this in the past. My guest today has done the same but he's now since scaled out. He's been able to build a team. Most importantly, with scaling up from his service-based business, he's able to make a bigger impact with those who he cares about and who he's serving.

I'd like to welcome Josh Shipp to the show. You can find him at joshshipp.com. Let me introduce you to him really quick before we have him come on. This is just great, he is a former at-risk foster kid turned successful entrepreneur. He's appeared on CNN, Good Morning America, 20/20, was named Inc. Magazine's 30 under 30, he started his career with a service-based business speaking to kids and helping to motivate them, helping them realize what's important in life and all that amazing stuff that kids need to hear.

I actually saw and sat down and watched one of his presentations and oh my gosh, one of the best speakers I've ever seen. So I actually contacted him on Skype and we had a chat, I was sort of getting some tips from him as far as public speaking, a lot of you know how much I just care about that craft.



After speaking with him, I was like "Wow, we have to get him on the show" and we were trying to discuss what we could talk about. He talked about how he almost burned out from all of his traveling in trying to scale his business with just himself. Now, like I said that he's scaled up, he's into the seven-figure range, he's built a team and we're going to talk about exactly how to do that using a real-life business as an example.

So what Josh and I did is actually on Facebook we put out a call to anybody who had a service-based business who's interested in scaling up and was having a hard time doing so. You'll hear exactly who that person is and what that business is. That's really the cool thing about what Josh proposed for this episode. He was like "What can I give that's different than what's already been done on your show?" and he proposed to do a real-life case study or a real-life critique on an existing business and how we could scale it up.

I'm just going to stop talking and we're going to get right into the interview. Without further ado, here's Josh Shipp. Again, you can find him at joshshipp.com. Josh, welcome to the Smart Passive Income podcast, thank you so much for coming on.

Josh Shipp: Thanks Pat, man. I really love and appreciate what you're doing. I'm super excited to dive into this topic, it's something that I've sort of struggled with myself for many years and then sort of to a certain degree figured out, so this is something that I haven't talked a lot about publicly that I'm very excited to help out, particularly with your community because what I love about your community is they are very earnest folks trying to genuinely make a difference. So love to talk about scaling both that impact and that income.

Pat Flynn: This is going to be fantastic and I know scaling in particular for people who seem like or feel like they are the brand. It can be a difficult thing to do. We have a lot of great things to talk about today. Whether you have a service-based business or an online business, there's going to be a lot of takeaways here. However, in discussions between Josh and I about how to best present this information to you, Josh came up with a fantastic idea. Josh, why don't you tell everybody how we're going to approach this topic today.

Josh Shipp: So a few things we're going to do is first, I want to talk about the mandatory mindset that's necessary because part of the challenge is not just what do you do, but also the different way that you have to think in order to scale. There's sort of a certain mindset that very much serves you as you're establishing your business and as you're growing it into something real, something you're making a living from and something people are appreciating.

Some of those mindsets begin to actually work against you. Frustratingly and unfortunately as you're looking to grow and scale your business. We're going to lead with the mindset.



Secondly and this is what I'm very excited about, is Pat, as you and I were going back and forth, we were like "We can talk about the tactics and we can talk about it vaguely, like, let's say you have a yogurt shop or let's say that you're doing this service-based business or that service-based business..." but instead, I was like "Dude, why don't you post on Facebook and find someone who has a service-based business, has some success with it and is struggling to scale it so we can dive into their business and use their business as a case study, not only for that person's benefit but for everyone else's benefit listening in".

Pat Flynn: That's right, so a real business, real person, real-life case study. This is going to be fantastic. It's funny because we actually put out an application on Facebook just to see who else was out there who had a service-based business that they needed help with. How many submissions did we actually get? We had people fill out a Google form. Josh, how many did we get? Over 100 I think?

Josh Shipp: Yeah, I think conservatively it was about 100. A lot of really, really interesting businesses. The really neat thing, and I don't even think I've shared this with you yet, many people were like "I don't even care if you guys pick me" but filling out the application was very helpful to them because we asked them some questions that perhaps they hadn't thought about in their business, such as "Why selfishly and selflessly do you want to scale?", "How would you describe your business in one sentence?", so a lot of people said that they got value out of it even if they weren't the one that got chosen.

Pat Flynn: That's cool. OK, so why don't we get started? Let's dive right into it.

Josh Shipp: Let's talk about the mandatory mindset first of all. For me, as someone who's gone through this and worked with a handful of buddies that are trying to scale as well, I think part of the challenge here is that change demands growth and growth demands change. One of the books that I've read about scaling that's been super helpful to me, just the title itself kind of stings me and encourages me all at the same time. It's a book called *What Got You Here Won't Get You There*. To me, that sort of encompasses the challenge that we face as folks running a service-based business who've experienced some level of success. We can wrongly think that perhaps we just need to work harder or we just need to do more of what we've currently been doing and that's going to be the thing that gets us to that next level.

Surprisingly to me, and most frustrating to me is that the good news is if you've got a successful service-based business, well the good news is you have a successful business. The bad news is, that success will create unintentional bad habits within you. So an example from my own life, Pat mentioned in the intro, I built up this speaking business, a service-oriented business, speaking to kids. The good news is, that became pretty successful. The bad news is, it unintentionally ingrained bad habits in me that why on earth would I want to turn down gigs, turn down service-based opportunities,



turn down the opportunity to collect a paycheck, to then stay-at-home and not only not get paid but invest hundreds or thousands of dollars in something that perhaps maybe could work?

That's something that I see a lot of my friends who have successful service oriented businesses having to fight, you have to fight that which has served you up until this point. It's obviously not to turn down all of those opportunities or whatever, you obviously need to be able to provide for yourself or your family, but you need to begin to create intentionality around your schedule so it's less looking to just collect paychecks and more so saying "this is something that I'm going to build that's a business. It's something bigger than me, bigger than just what I can provide or just what I can do".

It's really the difference between owning a business and owning your job. Like I said, more is not necessarily better. Better is better. I think as we're entering into this and thinking about the mindset, these are the sorts of things that you have to be considering. Do you want to be the craftsman? Or do you really want to be a business owner?

Pat Flynn: Right. I've come across this many times myself and talking with a lot of other entrepreneurs, the idea of not only just owning a business vs owning your job, but working for your business or having your business work for you.

Josh Shipp: Yeah. The good news is regardless of what that answer is for you, there are ways - even if you're like "I don't necessarily know that being the business owner and doing those sorts of things is the thing for me", I believe we could still stay the craftsman, you're just going to have to go and partner with or find an entrepreneur and set up some sort of win-win relationship with him or her where you can begin to scale your impact and income.

There is a difference between baking amazing cupcakes and owning the bakery. I think it's important before you go down this road to take an earnest genuine look at that to look at your habits, to look at what you thrive doing, to look at what excites you and what challenges you enjoy facing, what challenges you don't. Just make sure that you're honest. Either way it's going to be difficult. Either way it's going to be challenging. "Am I willing to do this challenging work?" and if so, great. If not, there could be alternative methods for you to increase that impact and income.

Pat Flynn: Just to re-iterate for everybody, that book that Josh was just talking about, it's called What Got You Here Won't Get You There. That's by Marshall Goldsmith and we'll make sure to have links in the show notes, of course.

I'm feeling that a lot myself now. A lot of what helped me in the beginning when I started my blog and started my podcast and YouTube channel, a lot of the same things I just cannot do anymore if I want to continue growing.



Josh Shipp: Yeah.

Pat Flynn: I'm learning all about this now in regards to team building. Not only that but learning to let go of not only what I don't know how to do - that's kind of obvious to outsource those things, but also letting go and having other people do things that I actually like doing but probably shouldn't be doing as the business owner.

Josh Shipp: Yeah. Oh Dude, it's so painful, it's so difficult. For me, I have the glorious combination of being a perfectionist and a control freak and so it's like, "not only do I not trust you to do it, but if by some measure I can trust you to do it, then I need you to do it perfectly". So many of these things that were necessary for me to scale just sort of went against how I naturally am, how I'm naturally wired, maybe even weaknesses within my own character or myself as a person. They served me for a particular period of time, it's fine to be a perfectionist and a control freak when it's just you, but when you're building a team, you will as I did for a while, you will drive people crazy.

I want to get into a specific exercise about the mindset and then move right on as quickly as possible to this case study as I think that's where your audience are going to get a ton of value. A big "ah ha" that I had is that it's more important that you fall in love with the people that you're serving than the method of service.

Pat Flynn: Yes.

Josh Shipp: It's important to fall in love with the people, not the method of service. Methods will sway but those people stay. Here's what I mean: For me, kids and families, that's what I'm all about. That's what matters, it's the way I grew up, the people who made a difference in my life, I love those people. I love their challenges, I love their joys, I love the opportunities, the frustrations. I love all of it. I love those people.

In the beginning, speaking was one way that I could add value. One way that I could get paid. One way that I could do a thing that I was good at and add value. However, when you're thinking about scaling, the question is not "what do I love doing?", it's "who do I love?", "whose problems and frustrations and ups and downs and highs and lows can I see myself camping out with for the next 10 years?"

Whether the way that I add value to them be blogging or podcasting or events or products or services or programs or whatever, it doesn't matter because you ultimately, genuinely, genuinely care about that audience. Regardless of what sort of way that you figure out to serve them that's great for them and great for you, it's not going to matter because ultimately you genuinely, earnestly care about that audience.



Pat Flynn: To grow is not necessarily to just keep doing what you're already doing but to find other ways to serve that audience. I love that, methods sway people stay. That's so great.

Josh Shipp: Exactly. Here's an exercise that I did early on. I had my team create a little [workbook](#) to accompany this conversation you and I are having and I'm going to be putting an outline of how to do this exercise for everyone's benefit. It's essentially thinking through your ideal workday. I don't mean like your ideal vacation day where you're in Hawaii and you have no responsibilities and you kind of do whatever you want. I'm talking about your ideal work day.

In your ideal work day that you've either had or you can envision yourself having, in those boxes I want folks to think through, work through, not as just a cute and clever exercise, but to really begin to see some patterns and what it is that you most enjoy doing and what it is that adds the most value to your clients and also what it is that when you do this particular thing, it also adds to revenue.

What some folks can make the mistake of doing is figuring out an expansion plan, a plan to scale and then try to shove their life into that.

Pat Flynn: Right.

Josh Shipp: Rather, I think it's critical that we first define the life that we want and then place our expansion plan on top of that. For me, I'm married, I have kids, there are certain boundaries with my time and my travel and these sorts of things. Other things, I'm super flexible about and couldn't care less. Think through what your ideal work day looks like, which will ultimately bring you to those 3 or 4 or 5 or 2 or 7 things that when you do them, it adds the most value to everyone? For me I realized I'm basically great at three things and those are the three things that I need to be intentionally orienting my day towards as much as possible.

Breaking out of that mindset of owning my job, meaning when someone pays me to do a thing, then I'll do it or when it feels right then I'll do it. Rather, begin to think like an entrepreneur, like someone who owns a business and says "I'm going to take control of my schedule and as best I can, put myself in a position where I can do these three things as frequently and as often as possible".

Pat Flynn: Right, like what are your strengths? What's working the most? What does your audience resonate with the most? How are you most making an impact? You should do more of that.

A lot of us just do because it helps us feel like we're busy. We're not necessarily paying attention to how things react to what we do.



Josh Shipp: Yes. You've got to watch out, you've got to ask yourself again. This mindset stuff can feel philosophical, like woo woo kind of stuff but it is important that you have the right and healthy mindsets going into the tactics because you've got to ask yourself, "am I doing this for my ego or am I doing this for my business?" because sometimes we can do busy work and things like this that for some reason feed into our ego but don't feed into our business, don't feed into our ability to make a difference to as many people as possible and to make the income that that's associated with.

Pat Flynn: Awesome. Beautiful. And that [workbook](#) that Josh's team has created is going to be totally free and on the blog show notes, we'll give you all the links and stuff at the end. Thanks Josh.

Josh Shipp: Real quick, I'll list my three just to give people - my three I've narrowed it down to is spokesperson-ing, meaning talking about a thing in the kids and family space, on stage, on video; positioning, thinking about how we position our marketing or our messaging and our products; and then mentoring my team.

Those are the three things that I try to as best as possible be insanely intentional about, orienting my time towards doing that as frequently and often as possible.

Pat Flynn: Right, so if you look at your schedule for your day and you see that you're not doing any of these things, you know that something's up.

Josh Shipp: Exactly. I know I'm out of balance. I know I've gotten lazy or sloppy or let my ego come into play or one of the bazillion things I contend to do poorly.

Pat Flynn: Right. That's beautiful. The workbook will be there, I've looked through it already. It's fantastic, very easily organized and I think that's going to help a lot of people.

Let's help Alexandra.

Josh Shipp: Yes.

Pat Flynn: You want to introduce Alexandra?

Josh Shipp: Well, I want to introduce her by telling you guys the answer to one of her questions. This is when I was like "This lady's amazing". One of the questions says "Why, honestly do you want to scale?" and here was her answer - she said "I'm passionate about three things. Number one, helping people. Number two, business. Number three, folding fitted sheets. Yeah, I said it."

Then she says this, "I want to be successful financially and in business in order to be a female role model for other first generation immigrant kids. I want to inspire others to follow their passions, even if it involves folding fitted sheets". To me this was like "Man,



this is clearly someone who isn't just in it to scale just for what she can get, but also what she can give".

I love that her business is a laundromat. I love that it's unique and different from probably what most of us do. With that, let me throw down this disclaimer to everyone. When you hear "Oh, laundromat", that's not what I do, that's not what I'm involved in. Constantly ask yourself how this relates to your business. Not only as you're listening to this podcast but when you go into your favorite yogurt shop and you notice that they have a loyalty program that involves a card and when you get 10 purchases, you get a free card. Stop and ask yourself "What does that have to do with my business? I'm not a yogurt shop, I'm not involved in that but how could I do that? How can I increase loyalty in my customers and the people that I serve?"

Though we're going over Alexander's business, just be thinking "How does that relate to a challenge I have or an opportunity that I have?"

Pat Flynn: Right. And I'll tell everybody out there, when Chris Ducker comes into town and we do our one day Business Breakthrough events, where we have 20 entrepreneurs there, everybody gets 15 minutes in the hot seat. When I talk to people at the end, they're like "Wow, my hot seat was great but I learned more from listening to everybody else's hot seat" in businesses that they would have thought they'd never get anything from. From websites about Tibet. That one case study helped so many people just because of the things we talked about altogether.

I think we're going to have the same sort of thing after people listen to our assessment and recommendations for Alexandra and her business.

Josh Shipp: Exactly. Sometimes I think it's actually better to get and apply great ideas outside of your industry because then it makes you sort of unintentionally seem more innovative and creative instead of just copy and pasting.

Pat Flynn: Exactly. Alexandra's website, for those of you who want to follow along, we're going to do a live critique of the site and the brand and what she could do to scale from there, it's ladybonillalaundry.

Josh Shipp: Look at you with your Spanish class, saying the double L right.

Pat Flynn: Right! I took Spanish in high school so it's served me a little bit. Ladybonillalaundry.com.

Josh Shipp: In the event she's already updated it by the time we're listening to this, you can use the 'way back' machine and check it out, which will also be an actual practical point of inspiration for you. Put anyone's web address in there that you admire and that you look up to, then go back and find there early versions of the site. You



could even do this for Pat's site, I'm sure. You will be equal parts inspired, mortified and encouraged.

Pat Flynn: Yeah. I did a post before my latest redesign, Josh. It went over the history of all the themes of Smart Passive Income and it was a hard post to post. It does inspire a lot of people so you can do the same with Lady Bonilla or SPI. I'll have links for that site on the show notes as well.

Josh Shipp: OK, so the first thing I want to talk about here is the importance of streamlining and maximizing what is currently working. For Alexandra, before you think about how you can get more customers, how can you offer different services, maybe fold in some sort of continuity aspect to the business where people get unlimited laundry or a certain amount of laundry for a certain amount per month, so we kind of have recurring revenue to a certain degree that we can count on each and every month. Before you let your mind run free with the hundreds of ideas of what could be appropriate for scaling your business, it is paramount that you first fine tune what you currently have. Your current processes, your current systems, your current workflows, your current prices, your current website. Again, in the mentality of more is not better. Better is better.

You really want to have that foundation set up to be able to grow, to be able to scale. Tomorrow, if your workflows were sloppy and I'm not saying they are, mine certainly were starting out. If your workflows are sloppy and your systems are sloppy and tomorrow you get a hundred new customers, that's like the best and worst day of your life. It's great because you've got new money but then it simply would shine an enormous light on something that needs to be fixed prior to scaling.

A few things to consider. Number one. Alexandra, what happens to the business if you're gone for two weeks? I want you to think through that. What would happen to the business if you were gone out of contact - email, phone, for some reason, some glorious tropical vacation on a remote island, what happens to the business if you're gone for two weeks? What would happen if you got 100 new customers? This is really beginning to think around 'if I was to remove myself from the business so I'm not always working in it', though you still sometimes will 'but I'm more so working on it, who does what and how do they do it?'

I would encourage you to define what are the six or seven areas of responsibility within your business, within your laundry service? Those might be the laundromat business but it might be actually cleaning the clothes, it might be interacting with customers, taking payments, it might be a few other things, scheduling the people that are coming in, the employees. So just think through who specifically handles what and how do they do it?

This is workflows, which I know something Pat, you've talked about quite a bit. This is your way of, if you are a bit of a control freak or perfectionist like me, which serves you



early on because then you have a value of excellence in your business, this actually is a way to set up a win-win where you can set the bar for how you expect something done but then you don't have to be the one to do it.

Get really clear on who does what in your business, how do they do it, what are those quality controls, those checklists, those workflows? Make that as clear and simple of language and number of steps as possible. Maybe even experiment with that. Even just one day like on a Wednesday. Say "Guys, here's who's doing what, here's the systems. If you have a question, here's your point of contact who's not me." Then just go completely off the map for a day. See how it works. You might have a small fire or two, but that small fire or two is going to show you a hole that you need to plug prior to looking to scale your business even more.

Pat Flynn: Right. It's important to understand what's going on in your business right now and what can be improved. Absolutely. For everybody who has a blog or online business, it's the difference of all of a sudden starting to pay for traffic to come to your website vs focusing on what happens when people get there first, the conversion rates, how do people go into your email lists, how do people go through your business and finally get to your products. You should be working on that first before you start paying for traffic coming to your site, for example. That's just one of the many ways that we can use this example in your own online business.

In terms of how things get done, I recommend this for everybody. Anytime I talk to anybody about outsourcing or scaling or anything, I tell them to draw a mind map or a graph. Draw out everything that happens in your business and then mark with a star or highlighter each of those things that require a human touch and then going beyond that, which of those things only require your human touch. Also, you can go into each of those different processes like you said, and maybe you have a whole system or an operating procedure list of things that happen, within one of those things, can something be improved? Even like 10%?

Getting into the nitty-gritty of your business like that is going to help you so much because those things add up big time over time.

Josh Shipp: Exactly. Just know up front this is not going to be fun, this is not the fun, sexy work of being an entrepreneur. This is why most people want to scale but this is an enormous hurdle as to why people with earnest motives to scale actually don't end up doing it. You get into a workflow or a document or a process and you're like "This is so lame! I just want to fold sheets!" and then you can just revert back to that. You can just revert back to that which is safe and comfortable and makes you feel good. Or you can know up front that it's going to be a struggle, it's going to be challenging but it's going to be worth it.

Pat Flynn: Right. I like the idea of creating those workflows, writing them down so



that other people can come on and do those things the way that you want them to be done or know how they should be done.

Josh Shipp: Absolutely. I'm going to add an area to that workbook based on that suggestion where people can begin to map out who does what and who needs to be doing that.

A couple of other things, we've got a lot to cover so I want to make sure we stay focused. Currently, raise your current prices 10%. Here's why. It's not so much about the extra 10% in revenue, though that's part of it, there's a good chance that you're probably charging too little. Secondly, I've noticed in my own business and in friends' businesses, when you raise your price, it forces you to raise your game. When you've been successful for a while, it's easy to get complacent, you know people like it, no one is complaining, everyone's happy, everyone's good. Even if it's just with new customers, raise those current prices 10%. That will, while you're spending the next 3 to 6 months building out these systems and workflows so you can truly scale, it will get a little bit more money in the door, yes, but also it will force you to begin to take the services that you offer a little bit more seriously.

Most folks aren't comfortable raising their prices. I certainly was not and still sometimes struggle with that, but I've found that when I raised a price, it forces me to raise my game, which I should've been doing all along but I've just found it's a nice way to trick myself to upping my game.

Pat Flynn: Yeah. I'm looking at her prices right now on her menu. She has the laundry service wash, dry and fold for \$1 a lb. I know from doing research in this industry that that is already quite a deal at one dollar a lb.

Josh Shipp: Exactly. If someone is your customer at \$1 a lb, they're also your customer at \$2 a lb. With one dollar, you're not forcing yourself into the only the upper upper income market. That is still very much in that zone.

Pat Flynn: I really like that suggestion. I've seen this with Chris Ducker. I have experienced people raise their price and a lot of things changed mentally in how they move forward.

Josh Shipp: It's very counterintuitive and scary but you're right.

Let's get into the live critique of Ladybonillalaundry.com. The good news is that I'm a complete stranger to your business and when you're looking at someone's website there can be this Where's Waldo effect. There can be a lot of stuff going on and a particular thing that someone can see that is distracting or that is not congruent with the message that you're trying to project.



The first thing I see is an inconsistent brand name. The thing that sitting on your shoe, I see Nia Bonilla, Love Andrea, then I see Lady Bonilla Laundry, Quality Laundry Service. I think there's maybe even a different name that you put on your application, I'm looking at that right now. On your application the name of the business was Fabulous Laundry Services. I would just get clear about what the brand name is. I would make sure that it is a name that you can live with but your customers love. Really focus on clarity instead of cleverness.

Unless your brand is currently famous or you can spend a ton of money getting it famous, I think the more that your service brand name can incorporate the experience you want them to have or the end result that you would like them to have, the better. I mean Smart Passive Income is a great idea. It kind of says if you're interested in that sort of thing, if you want to see yourself as that sort of individual, if you want to learn about those sorts of things then here we are.

I would just encourage you to think about that. I doubt when people are recommending you by word, just friend to friend that they say "You've got to go to Lady Bonilla Quality Laundry Service". They're probably using something a bit more stripped-down, a bit more simple. I would get clear on that.

Pat Flynn: I'm sort of OK with the name, I don't mind it but I think that the site can do a little bit better at helping people understand what that means.

Josh Shipp: Yeah. It's also the words and biggest font, meaning this is what I see as most important is the brand name vs what we do for you, how we help you, how we serve you, how we make your life easier, that sort of thing.

Pat Flynn: Right. With a laundry service specifically and specifically these service-based businesses in general, people's clothes get dirty all the time, right. They're going to have to keep coming back and they have a choice of where they can come back to but when you can get people to understand the story behind your brand and give them reasons, about who you are - business today is all about the relationships and the people. The only people I see on this page are just a pair of legs. I think it's OK if that's your target audience. I like the landing page perhaps. That big 11 with the heart on it distracts me but it kind of works to draw my attention to the brand name. Then, if I'm the first time there, I don't exactly know exactly what I'm getting or who this is for or who it's about.

Josh Shipp: Yeah, that's kind of how I felt when I first went to the site. It kind of felt a little like match.com. It kind of felt a little bit like a dating site or something. I'm a married man but I'm like "Oh, there's a woman in high heels and I can see her leg, what's going on? I must have typed in the wrong URL". Again, I would just get congruent about what it is that you want that message to be. I think, Alexandra, you answered, when I said "Describe your business in one sentence", you said "Fabulous laundry services".



In this landing page, in this first example it's going to be very important that everything points towards that and absolutely nothing distracts from that. It's all about fabulous laundry services that saves you time, saves you money, those sorts of things.

Pat Flynn: You could even say that, instead of Quality Laundry Services, why not Fabulous Laundry Services?

Josh Shipp: Exactly.

Pat Flynn: The image in the background, which is great is a little bit pixelated, I think. The site's responsive, which is great, it's a huge plus. It could be a little bit clearer and you can probably take a new picture on a nice camera and have it achieve the same feel but a lot crisper and cleaner.

Josh Shipp: Exactly. Particularly if this is a local business, which it is. This is a local brick-and-mortar business. What's the environment I'm going into? Who are these people that are going to be handling my clothes and I'm trusting with my clothes? You clearly have a great personality, a great heart behind why you're doing what you're doing but that is void here. I'm not seeing that. The only way I would see that is if I took the risk, went there, gave you my money and then had a great experience. Then I would get it and I no longer need to be convinced, but the whole game of marketing and obviously your website is to convince people before they make that decision so they will indeed make that decision to do business with you.

It's important for all of us as we're thinking about scaling to think about what is the number one challenge that our customer is facing? Alexandra talked about time as her customers' number one challenge. This also was void in the language that I'm seeing here. If truly from your research, time is my number one challenge as your customer then I want to challenge you to honor that in the copy of your website. Make that simple and clear to understand that it's not so much that you're just paying me \$2 a lb to do my laundry, but it's saving me time. You're going to have to really educate your audience in a simple and clear way what they're getting for their money other than just clean sheets. The thing that's more important is that they're getting back some of their time.

Pat Flynn: Time is obviously something we all would be happy to pay for.

Josh Shipp: Exactly. So, under the Services button, I had a few thoughts here. I think there's a lot of options. Maybe 12, 15, 16 options here. Let's go back to what is your customers' number one challenge? Time. Even in our services we want to honor that. Chipotle is a business that is a great example of that. People are on their lunch hour typically when they go to Chipotle. There's not a bazillion things you can order. It's very simple, it's very clean. Here are your handful of options. Make your own and then you're on your way, eating and back to work.



I think there are probably too many options here. Is there a way to simplify? Is there a way to bulk-price things? As an example I see, down at the very bottom, shirts, polos, T-shirts, pants, dresses, coats, blazers. Most of that stuff is like five bucks, plus or minus a dollar. As an example you could say something like "Any of the following, \$5". So you would make a little more on your polos, you would lose a little bit on your coats. Ultimately it's very simple pricing that people get that even just in understanding the pricing helps to save them time.

Pat Flynn: I love that idea.

Josh Shipp: Also, I think long term, Alexandra, you have an incredible opportunity for some sort of subscription model. If I'm someone who frequents your business, I would love to be able to pay a certain amount per month, automatically billed to my account where I just bring my clothes and I don't even have to think about it. It's just taken care of. You could maybe even experiment with 'we will come get them', if you find that most of your customers are within a 20 mile radius, would that extra revenue be worth it to pay someone who could go and pick those up and go and deliver those?

I think you have a very clear no-brainer opportunity for a subscription model here of basically an unlimited amount of clothes, as long as it's not ridiculous, however you could articulate that for a certain amount of money per month.

Pat Flynn: Yeah, I love that. You could give those people for example a bag that they can put whatever they can into it, to make it easy. There's a service like that around my neighborhood, which specifically is just dry cleaning only. They gave me a bag and whether it's Monday or Thursday, either one of those days they're driving around looking for those green bags hanging on people's doors. It makes it super easy for them and way convenient for me knowing that they're coming and I know exactly what days I'm going to get my stuff done.

Josh Shipp: Exactly. This is a great example of a win-win. You just heard Pat say "It makes it so easy for me" so it's a win for him but it's also a win for the business owner because now they have 100 customers paying \$45 a month for unlimited laundry service, which means each and every month they're automatically bringing in \$4500 before they do anything.

The good thing about this, as a business owner myself is you can begin to forecast and understand your revenue a little bit more, how many people you can work with, your expenses and all these sorts of things. I think this is certainly a no-brainer, great opportunity for you.

Pat Flynn: I think so too. What if, making it easy, starting out small, pickup for these people who do subscriptions is only on Monday? You know it's Monday, that's the day you go get the truck and you go out or you hire somebody to go get the truck. That



way, on Tuesday, that's when you have more people in there working to help with all these subscriptions?

Josh Shipp: I love that.

Pat Flynn: It just makes it so much easier to organize and know when more people should be in and when they shouldn't be in there.

Josh Shipp: That's brilliant. Here's how you do it. I'm getting excited. Here's how you do it. Drop it off every Saturday or Monday or whatever, ask your customers - don't trust Pat or I, ask your customers what day do they want their stuff picked up. You can pick it up on Saturday or you can drop it off any day of the week. In the beginning if you don't want to hire someone on your own, there are services - I'm not an investor or associated with this company - there's a service called Task Rabbit...

Pat Flynn: I've used it.

Josh Shipp: Where for \$5 or \$10 or whatever, people run random errands for you. This could be an example of a random errand. You could find someone locally who would be willing to go to these 20 addresses and pick up the green bag and bring it back to you.

Pat Flynn: I love that idea. Just contract that out. Using a site like Task Rabbit. Maybe it's \$20 an hour. If they spend 2 hours picking up stuff, that's \$40 for that one person as opposed to how much you'd have to pay somebody who's on payroll and all the other stuff that goes along with that, that's super cool, I love that.

Josh Shipp: Be smart when you're scaling and really earn the right to spend your own money. Don't just flat-out say "Well we've got this idea we think might work" and the truth is this idea will work. The question is how many times will it fail first? How many times will you have to mess with the formula? Mess with the pricing? Mess with how you're communicating it?

In the beginning, as low risk as you can be with your own money, with your own investment, the better. Outsourcing is a great way to do that.

On the Gallery page, there's not a lot of pictures of clothing, it kind of looks like a kids modeling photography agency. That's that. That's very minor.

Under the FAQ, there are quite a few things that were blank, which then makes me think is this place still open for businesses? Is this a start up that hasn't launched yet?

There's no clear Contact button. There's no clear call to action...

Pat Flynn: Phone number, perhaps...



Josh Shipp: Yeah. There is contact info on the homepage but I would likely probably go to Services. That would probably be the one thing I would go to and then there is no contact information, none of that. Have that contact info, bottom of each page and definitely over there in your left side navigation.

Pat Flynn: Right, and a link to even get directions. Everybody is on mobile now. Just a button where people can find the best and quickest way to your place.

Josh Shipp: Exactly.

Pat Flynn: Local Services. We haven't done research to see if she pops up in Google or where she pops up, but you can utilize mobile Moz has some local rankings and stuff like that to help you as well.

Josh Shipp: Exactly. My encouragement to you, Alexandra, and this is a great bonus for everyone - once you make these handful of tweaks to the site, there's a resource that has been very helpful to me. It's a site called peek.usertesting.com. Pat will link it up for you guys.

Basically, every month you can have three random strangers visit your website for free and they record a four-minute screen cam answering questions such as 'What is your first impression of the site?', 'What is the point of the site? AKA this business?' and then 'What confuses you?' or 'What should you do next?', these sorts of things.

You can begin to gather, not trusting your own mind and not trusting people that know you and already know what you do, but complete strangers who don't yet care about you, don't yet know you, haven't yet had a positive experience with your business. Am I being super, super crystal clear about what we do, how we do it, our pricing, the call to action, those sorts of things. It's a great way to get out of that battle of you can't see the forest for the trees, or however that goes. Get a complete stranger to take a glance at your site.

Pat Flynn: That's so cool. Peek.usertesting.com. I'm on there now. See and hear a 5 minute video of a real person using your site or app. It's super fast and totally free.

Josh Shipp: Here's the business model, just so you know. Basically, you can do three a month for free but if you wanted to do 20 and you wanted to specify the demo, if you want women aged 30 to 45, then you pay for that. Even that, I don't think is ridiculous. It's less than \$100 for sure.

Pat Flynn: Pretty awesome.

Josh Shipp: Every month you can run three tests to your site. I've done it and some of them I'll be honest have been completely pointless and useless but out of the 10 I've done, three have given me game changing (10k plus) ideas.



Pat Flynn: Wow, that's so cool. If you think about it, these are complete random strangers. Even if you asked your own audience for help, they're going to want to make you feel happy, they're not going to be completely honest with you, necessarily. This is what a random person coming to your site would see. That's a great idea. Thanks for that resource.

Josh Shipp: That's part of the challenge of scaling is moving outside of the people that already know what you do, that already get what you do, that already trust you and moving into "How do I go find strangers who would most likely get me and trust me and could use what I do but then I've got to convince them?"

Final thing on streamline and maximize what's working. Alexandra, you mentioned you don't have an email list, you've got to get that set up as soon as possible. MailChimp is one you can use for free if cost is an issue at this point. You can do something such as an in-store coupon or one free T-shirt cleaned or something to incentivize people to get on your list. The point of your list is going to be a way to add value, a way to keep in touch and then also when you roll out this subscription program or in whatever ways you're going to scale your business, then you can obviously get in touch with those folks and let them know about it.

Pat Flynn: Love that. Definitely email and then down the road maybe even taking advantage of text messaging and things like that.

Josh Shipp: There's a ton we could cover but Step 1, streamline and maximize what's currently working.

Step 2. Gather intel from existing customers. I'm going to move quickly through this.

Conduct some informational interviews with 15 of your existing customers. Here are the questions I would encourage you to ask them, of course make up some of your own. Then here's why I want you to ask these certain questions.

1. What's something you need ongoing help with?

The question behind the question there is what recurring revenue opportunities could you have?

Pat Flynn: Genius.

Josh Shipp: So, what's something you need ongoing help with?

2. What's the number one challenge or frustration in your life?

This answer is going to provide you with other products or services or things that you could and perhaps should be doing.

3. What product or service do you wish we offered?



Here is something I would like to give you money for if you would only let me give you money for it.

Then this one is super huge:

4. How would you describe us to someone you care about in one sentence?

This is so huge because we get nerdy and think about our businesses all day long because we love it and it matters to us and we can get over complex and really, really unclear. When you begin to hear how people describe your business to their aunt or to their nephew or to their niece or whoever, you will begin to understand what matters to them and what doesn't and what is fluff and what's really at the heart of how they see you and the value that you bring.

The value behind that for you is that it can help point you towards a very, very clear brand articulation.

Pat Flynn: People are going to be rewinding this to get those questions. We'll have these questions on the show notes so we'll keep moving forward. We're chugging along here, for sure.

Josh Shipp: Third point.

Build out a rough draft of one concept.

Here's what I mean. By one concept I mean after you do these informational interviews - and do them, please. It's easy to skip steps. It's easy to be like "Ah Josh, I know my customers", just do it. It sounds dumb or boring or lame or unnecessary right now but afterwards you'll be like "Alright, I'm glad I did that". After you've talked to these 15 lovely folks, you're probably going to get pretty clear about two or three exciting ideas. Maybe it's a subscription service. Maybe it's something else. We'll use the subscription service as sort of our talking and working example here.

Then you need to build out a real ugly and rough draft of that concept. In the beginning of scaling it's more about what you learn than about what you earn. It's really about getting it right, getting the processes, the systems and all of that right. That matters more than earning a bunch of money, getting a bunch of people into that product or service.

You guys saw how Pat did this with the launch of his SPI podcast player, where you could purchase it and use it on your own podcast. He likely could've gotten 1000 customers on day one, but I thought it was smart to limit that so you can get folks in there to poke holes in it, find out what they love, find out what is unnecessary and distracting and all these sorts of things.



Pat Flynn: The BETA launch was very smart. At first, part of me was like "We have a waiting list of 1000 people who said they would buy this, why aren't we selling it to every one of them?" Because you want to give as many people the best. In order to give people the best, you have to start with a minimum viable product (MVP) with a few people. If you get those few really excited people who are in there who understand that you're starting with this, they're going to be more than helpful to help you create that best product down the road. I can't tell you how vital the initial 215 then the few other hundred people we've let in just for the BETA launches have been to what the product has become. We're going to be releasing version 1.0 to the world later this year or maybe early next year and it wouldn't be as good as it is now if it wasn't for that limited initial run with it.

Josh Shipp: I love that man. It is a compliment to you embracing that mindset we talked about in the first 15 minutes, breaking away from the old habit of 'let me just sell the thousand right now' and going into that long-term entrepreneurial thinking of 'let's do this right, let's do this with excellence, let's do this with quality' and when you do such, that's the slower game, that's the longer game, it's not always as exciting but it's better for everybody long-term.

Once you have this rough draft of the concept, here's how we would roll out this membership to our laundry service. I then want you to get just 10 customers involved in that. Maybe when you're doing these 15 interviews, maybe 10 or 5 of them say they need to be able to drop off all their laundry to you and you just deal with it. You can go back to those 5 and say "Loved your idea, listened to your idea, we're doing it. I would love for you to be one of the first five people in it. We're going to discount you in exchange for you being willing to give us some very honest and direct feedback about how we can improve it".

Pat Flynn: Yes, so good. I love that. Plus that validates it. If you get those 10 customers, boom, you've got it. If you didn't get the 10, well then you can move on to try one of the other ideas.

Josh Shipp: Exactly. You may try one of the ideas and it may fail terribly or likely - here's the truth of everything I've ever done that eventually scales, is nothing comes out of the gate as a roaring success. The best of intentions come out as a minor success but then you know there's something to this, this is not just an idea that I have but there is validity in this and now it's time to hone it.

Two important things with this that I want to be very clear about. When you get those 10 customers in, I want you to be very thoughtful in the questions you ask them and how they are enjoying this experience, what could be better, what is the best thing, what's a frustrating thing about it? You've got to really poke holes in it so you can improve the product, improve that service and then the thing that might be easy to miss, I want you to document the results.



Poking holes is going to help you improve the product. Documenting people's results is going to help you sell the product. Now you have a genuine, earnest story from Nancy who says "They pick it up every Sunday, I don't have to think about it, it's amazing. It saves me at least 15 hours a week of my life" or whatever the story is. Then you can use those stories to market and sell it when you roll it out to your audience as a whole.

I love selling through success stories because as long as you do it in the right way, it removes any of that sleaziness or 'it's just about me' or 'I just want to sell this thing' and it really highlights people who have received certain results from this things that you're offering. Essentially the offer is 'Would you like to save time and money as well? Then boom, here's what we have for you.'

Pat Flynn: Awesome, I love that.

Josh Shipp: Fourth is to fine-tune the concept.

Based on the customer feedback, you're going to fine tune the product and you want to make sure that when you're getting their feedback, that you not only leverage the results, the success stories like we've already talked about, but that you use their language when you're offering it to everybody. You might come up with something clever and say it's an all-in-one laundry concierge but they might call it the buffet of laundry or they might be like "It's like being in high school and your mom does your laundry and you can goof off". Who knows what they're going to say? Use their language. It's really easy to focus on cleverness vs clarity but just really focus on clarity and what is it that they're loving? How did they describe it? Really pay attention to that and really use that.

Then you're going to launch a second version, you're going to launch that to a slightly bigger audience. You're going to continue to hone and tweak and get feedback and success stories, continually you're going to wash and repeat in your process.

Ultimately you have something else within your business that's running, that's making money, that has workflows, that has systems, that has processes in place and then you can go and add on another one.

Here's an enormous self-discipline I have placed in my life as an entrepreneur that I cannot tell you how thankful I am that I've done such. I did such not because I'm smart or clever, I did such because when I didn't I would just plummet into failure. Here's what it is. Set a specific dollar amount for a new venture. Set a specific dollar amount per month for this subscription-based service and do not allow yourself to move on to another concept, another idea, another way to monetize until you hit that goal. Where our character is weak, we have to place external structure. Since we're the owners, we don't have a boss, we don't have someone holding us to it. You're going to have to force that external structure on yourself.



It's so easy to say "No, it was the idea. The next idea is going to be the thing that really does it", "The next idea will really follow through", "The next idea, that I'll really complete". The truth is, it's that final 20% of the idea of unleashing it, of fine-tuning it that's just terrible and painful and not fun and not entertaining, regardless of who you are and how clever you are, how smart you are and how successful you've already been.

I have found when you place a parameter, such as a dollar amount that is not emotional, is not left to interpretation such as "It needs to be running smoothly and then I can move on", but a very specific dollar amount for your app, for your new service, for your new venture, when it hits that certain dollar amount then I can begin to entertain the next venture, the next service we're going to offer, the next whatever. If you don't finish well in this first one and some of you have already sensed this pattern within yourself, you're going to do the same thing in the next one.

In a mastermind group, share that number with them and really try to - for the benefit of you and your customer, force yourself to be disciplined to that.

Pat Flynn: Fantastic advice. Wow, so we talked a lot about scaling, the mindset and a lot of very specific things you can do right now to potentially create that product that's going to help you scale.

We've also hovered a little bit on the workflows and creating standard operating procedures to perhaps help replace yourself. Take in that bird's eye view of everything that's going on and try to poke holes in it and try to fill in the gaps where you aren't necessarily doing all the work and your business is able to scale to a point where there's less of a limit based on the work that you could do yourself.

Awesome Josh. Thank you so much for this again. I'm sure we could have talked for another 12 hours about this.

I'd love to hear everybody's feedback. What did you think of the format of the show? Did you like it? Did you like hearing a real-life example? Do you have any other suggestions for Alexandra?

Head on over to the show notes, if you go to www.smartpassiveincome.com/session129 that will take you to the show notes where you can leave comments, you'll get the link to the workbook. Thank you again Josh and to your team for putting that together. Download the workbook, it will be completely free, get all the links to everything we mentioned, that really cool peak.usertesting.com site plus everything else we mentioned.

Josh, before we finish up, where can people find out more about you and what you're doing and all the incredible things that you have going on?



Josh Shipp: You can see what I'm up to, helping kids and families at joshshipp.com and Pat, it's an honor to serve your audience. I love what you do, how you do it and I love all the different cool things that your audience is up to and I hope this information has helped them to think about not only how to increase their impact but also increase their income.

Pat Flynn: Love it. Thank you Josh, we appreciate you.

Josh Shipp: Yes sir.

Pat Flynn: Alright, I hope you enjoyed that interview with Josh Shipp from joshshipp.com. You can head on over to the show notes at smartpassiveincome.com/session129 and you can download that free workbook that he and his team created for all of us out there who are looking to scale up in our businesses. Fantastic conversation, and Alexandra, best of luck to you. Please keep us posted on how things go and what you do from this point forward.

For those of you listening, thank you so much for spending time with me today, I appreciate you so much.

I also appreciate and want to thank today's sponsor, a brand-new sponsor to the Smart Passive Income podcast, Lynda.com. One of my favorite websites right now, I'm on it almost everyday. If you don't know what Lynda.com is, it's an easy and affordable way to help any individual learn. Instantly stream thousands of courses created by experts on business, software, web development, graphic design and more. I'm actually taking a course right now on photography and how to better use my camera. It's awesome. There's all types of topics. The cool thing is these aren't just like YouTube videos that people put up, these are people who fly into the studio and create these amazing courses.

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Thank you, you're amazing, I appreciate you, I'm going to keep moving forward if you promise to do the same.

See you in the next episode of the Smart Passive Income podcast. Peace.



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LINKS AND RESOURCES MENTIONED IN THIS EPISODE:

- [**JoshShipp.com**](http://JoshShipp.com)
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