

James Shramko TEARS Apart the McMethod

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John: It's John McIntyre here, the AutoResponder Guy. I'm here with James Shramko. James came on the podcast in episode four to talk about how he gets 95% repeat customers without affiliates, promotions, JVs, or launches. You can find that at dropdeadcopy.com/ep4.

Today, I wanted to bring James back not marketing specifically, but because he's recently been causing a bit of a stir on the Internet going on people's podcast and really knuckling down onto their specific business and talking about their business model, and then breaking it down. He's done with a few people, and it's fascinating to watch. He did it with Pat Flynn. He's done it with another guy, Damien Thompson from Linchpin.

It's just like a back and forth banter about what their business model is now and what he thinks it should be. It's not just fascinating. It's very, very helpful because then you start thinking what could I do in my own model. I thought I'd get James back to talk about this kind of thing in relationship to Drop Dead Copy, and the McIntyre method, and the email marketing podcast, and the whole thing. Because I'm in a stage right now where I'm trying to figure some of these things out. Rather than just do it on a quiet phone call I thought it would be really helpful to record it, turn it into a podcast, and it's going to be helpful for anyone, I guess, who's doing business online. That's what we're going to try to do anyway.

How you doing today, James?

James: Good, thanks, John. I'm glad you did invite me back. I always love to have discussion around business models. It's something I do pretty much every week with business owners. The thing that I tend to gravitate towards, I guess, that's why I couldn't help myself when I was speaking to these guys on my own shows or on their shows even is to ask them these questions. Sometimes maybe they haven't even thought of that angle before. It is enlightening. Hopefully, we'll come up with some cool stuff today.

John: Okay, okay, cool. I'm just curious, when you do these podcasts with other people, are you intentionally trying to rile them a little bit and challenge them, or is it just your natural way of talking, you're just saying what about this and what about that?

James: Definitely, my default position is I've been direct before. In the case of Damien, I really wanted to break through there because he had such fixed positions on stuff. I really felt that it would be helpful for him to bust down some walls. In the case of Pat and with John Lee Dumas, it really fascinates me. These guys have a huge following, have huge distribution, but they under monetize themselves like crazy compared to their potential. It's in both cases because they're

inexperienced, and they have a fair bit of fear around change, and they're quite slow moving towards the business model that I think they would be crazy not to do.

It generally intrigues me. When I had them on my show I wanted to talk about their business and where they're at. In both cases, I think we arrived at the stage where they're in their early phases, but I don't understand why people don't move to the later phaser much faster if the past becomes clear, so it was great to have that discussion and really insightful. I continue to have those discussions with both of them.

John: I think what's really interesting about this is that guys like John Lee Dumas and Pat Flynn they can be very successful in a way, yet they can be vastly under utilizing or under leveraging what they have which is very exciting when you put it that way.

James: Phenomenally. In both cases, they're under leveraging what they have and in different ways, I think. Pat is interesting. He has so followers. He has a moniker for his business that is kind of unrealistic. It certainly doesn't appear passive the amount of effort that goes into it. What he does is he puts his best efforts into managing a Facebook fan page instead of having a business community that he could monetize for gazillions. That's interesting to me.

On the John side, he doesn't love recurring payments. He thinks it's overrated he told me on a tweet. He's has a few good profitable months selling lifetime memberships, but then the big question is what next. I just see a huge opportunity there missed in a way. I also have done this in own business, and I'm talking about seven years ago or eight years ago. I used to giveaway lifetime memberships to a program. It was totally related to confidence and lack of experience.

When you harness the recurring income machine that's when business becomes amazing. I don't think that it's overrated. I think recurring income is phenomenal, and that's why telco's do it and credit card companies do it. There're so many examples of recurring programs. To some extent, even if you own a car you're on a recurring fuel program in a way. Having this thing that people need all the time is a good position to be in.

John: Absolutely. I like this idea as well that if you can find those things like going from lifetime membership thing to recurring, you can find these little points in the business, these tiny little leverage points in the business which is so small but just one change can turn the whole thing and just put it on steroids.

James: That was effectively one of the main changes I made. I used to promote a one-time product as an affiliate, and then I switched to promoting a recurring product. My income started snowballing because of this one change. It took from a reasonable income to dramatically better income. Then, when you start looking at how can you apply this to services, that's when it gets really cool.

One of the changes I made was to only offer a recurring subscription for services

for packaged services rather than a one-time service for my main service. It very quickly built up into a \$500,000 or \$600,000 a year revenue just because the automatic product was actually a recurring subscription and that was the main way that it was sold. You can come to the market and change the game to some extent. I saw Vodaphone do this in Australia in the early '90s when telephones were not sold on contract. They came to the market with contracts, and they had people sign up and go on contract to basically commit themselves for a long time on a recurring program.

John: One thing I'm going to be wondering as we continue to talk about this is is there a right time to do it? Do you need to have a substantial user base or audience before you do it, or could you just start out from the outset with the recurring revenue model?

James: You could start out from the outset. There are some people who say build up an audience, build up distribution, and then monetize it. That's okay, and it's great. It works for Amazon. It works for Facebook. It works for Twitter. It works for John Lee Dumas to some extent, getting that distribution.

Here's the thing. If you have distribution you'll be able to monetize it at some point probably regardless. You can monetize it to a great extent all at once. However, if you can set up a nice recurring program in the beginning you can start getting the money from the beginning, and you can grow it and snowball it without having to go through that phase.

Some of the big questions you'll want to ask yourself is are you selling a one-time product because you lack the confidence to ask someone to commit to a recurring program? That's a confidence question. Are you selling a one-time product because you haven't really taken the time to understand your customer and find out what else they need and then get yourself in a position where you could be the one to offer that?

John: How about we get into it? I was thinking I'll tell the listener what my plan for Drop Dead Copy is and the business, and then we can talk about because I don't have any recurring revenue model in place at the moment. This is what you mentioned on the podcast with Damien that I was in the profit market for recurring revenue, and it just kicked me in the face. What do you mean? I wanted to find out. I'll talk about what my plan is, and then we can talk about how recurring revenue could apply to all that. Does that sound good?

James: Yeah, let's roll.

John: Basically, I where I am right now, Drop Dead Copy, there're 32 podcasts published. There's a three-month email autoresponder sequence with daily emails. All that's working really, really well. The traffic's kind of okay. What's been happening is I was doing client work up until about March this year, then I created the McIntyre Method which is a product which I charge \$200 and \$300 depending on what level someone does to teach them how to write autoresponders.

When I created that then I tapered back the client works because I didn't want to do it. I was just doing one-off things at a fairly low price at that point because I didn't have as much confidence as I do now. There was the McIntyre Method, and then client work tapered back, and then I went to work in another business with someone I met in Chiang Mai. Now we've ended that project, and now I've decided to return all focus back to Drop Dead Copy because I've started to, I guess, I've started to dream a little bit and think if I was to really apply myself what could I turn it into. I think there's a huge amount potential, but I have to really knuckle down on it.

What I've been doing is I've been turning down clients for about six months. I usually tell them I'm booked up because that's basically truth because I've been working on other stuff. I might get anywhere from two to five people a week, sometimes 10, asking if they can hire me. I've been just turning them down just saying, "Go join the waiting list. I don't know when I'm doing client work again, if I'll ever do it."

The problem is over the last month or two, especially since Bangkok when we had that conference, the DC conference, people have been saying, "You should start doing these services." I don't want to do phone calls. It's a pain in the ass. I then have to communicate with clients by email, and all this just basically making excuses and being a bitch about it.

I finally decided to give it a shot and launch an agency model. I don't really know what prices to do or how to do the recurring thing. I was just going to try and sell an autoresponder for say 10K and charge someone 30 emails for \$10,000. Then, what I've actually done this week is I've sent out a few emails for an offer where they get \$3,000 for 10 emails per month, \$3,750 for 15, or \$6,000 for 30 emails a month. The idea was that they would just pay for the emails. I'd deliver them, and that'll be it.

I've sent that out this week and I'm just watching the response now. The idea is no custom jobs, so I don't have to get heavily involved in talking to the client and the emails in the McIntyre Method style, so clients pay for the brand, so to speak, basically to eliminate competition, all that sort of stuff. We just have a set framework or flow that we use for every single sequence, and we just execute it and it gets real easy.

That's the plan right now. It just started taking over in the last few weeks. I'm still testing the waters and trying to figure out what model, what offer, what people are really wanting. What do you think about that?

James: How are they voting with what they really want with the order button?

John: No one's signed up for this offer this week that I've put out so far. It's been out since Monday, but then I'm not sure if that's is the list too small or it's just the price is too high or too small?

James: It might come down to who is your actual customer for that and what sort of problems are they having because you're trying to create a solution. Let's just

back up a bit. One thing is with build-to-sell, one of the main elements to that is that the thing will have to work without you for it to be saleable. Do you have anyone else in your team at this point?

John: No.

James: Right. That's going to be a major thing because that's going to determine the type of business model that works for you. For example, if we look at my SEO business, I don't want to be writing articles or posting them out there onto blogs, so I have a team that does that, and that allows me to sell package services that does not require me.

Do you plan on bringing in a protégé or having some people who are able to create autoresponders using your formula and doing some diagnosis of the customer scenario?

John: That was the idea. Someone signs up, I'm going to go and hire someone and then get them to write it. Actually, it was about two weeks ago I posted a blog post just saying I'm hiring. People would sign up with their email, and then I ask them all to write an email to me in the style I do for Drop Dead Copy on why I should hire them. I have I'd say at least 25 applications from some really, really high quality people.

It's a first time I've really been exposed to it. People are trying to win me over and send me tips and really try and get me to do accept them, to work with them. I have all these people who want to work for me now. Now it's about finding the right model so I can give them all work.

James: Beautiful. That opens up options. If you have a team, then that means that you could actually tap into both types of, typical economies, there's the work for the hour type economy. You could literally sell hourly time as a package. That's one of the things we sell at our website company. We sell hourly packs. For example, you could sell a package that is certain number of autoresponders or certain amount of time that people could spend going over or reviewing or rectifying current autoresponder services. You could put that under a recurring plan

You always looks to other examples for validation of this model. In the IT industry, there's maintenance packages where people spend certain amount of hours updating or cleaning or servicing the servers and making sure the technology works. In your case, you could have an autoresponder rescue pack. It's like five hours. We will diagnose your existing autoresponders, we'll create a recommendations report on what we think needs changing, and then subject to your approval then we'll implement the changes till the end of the five hours.

On the checkout page, you can actually have the ability for them to select multiple five-hour packs, say two, or three, or five five-hour packs because you might in their report say that we recommend all of these changes, and we will complete as many as we can in the remainder in the five hours. However, we recommend you purchase another 10 hours for us to complete everything there. Basically, you're doing a paid gap analysis, and then getting paid to implement.

That works really, really well, and it's a totally valid model. Initially, you might do it, and document all of the steps you're doing in a standard operating procedure, and then have your protégé step in and start doing this for you.

John: Okay.

James: The other thing you can do is sell by the result. You could say, "Buy this package and we will give you X number of emails," which is where you've arrived at the moment. I'm just wondering if quantity of emails is relevant or not or if there's some other measure of success that a customer would value more highly. Maybe it is that you could result in them building their list faster or perhaps you could increase the open and click through rates on their current lists. There're all these sort of offers that might be more interesting to a customer.

John: Yup, okay.

James: Think about how they would judge your work and do they find impressive. There'll be metrics that are different, and this is the challenge that you may have had with custom work is that every customer will have a different way to measure your success.

John: Yeah, yeah.

James: Some of them won't really give you much judgment at all, others will be whether it impresses their boss, others will be if it actually sells more stuff, others will just want to feel that they're not getting ripped off. People have different success things.

You also have the options to slide between done-for-you and do-it-yourselfers. The done-for-you is they're going to want to pay you money and you solve all their problems and they don't want to be involved in it. They don't dedicate a lot of time and energy to it, so you're working totally on the result there.

Then, the do-it-yourselfers probably they would like you to teach them how to do stuff. This is where you go into a recurring program that may not be fully serviced based. It might have an element of information. It could be a master class. It could be delivered over 10 weeks. It might be a 10-week master class that they pay for over two or three payments. Now you've created a recurring information product at a higher price point.

It may not involve you delivering anything live. It may involve you having prerecorded modules that they watch, and then you amazingly have an autoresponder that delivers the modules, and then you can invite question and answers which might be via email. It might be email coaching. It might be via a forum. It might be via a Q&A webinar that you hold once a month, for example.

There're so many ways for you deliver your expertise. The main thing is focus on what you are absolutely the best in the world at there, and start bringing on a team so that they can learn the system and apply it for all the ways that you need to test till you find something that sticks really well. Then, have a look at when you are pricing, have a look at annual programs that people could pay in

phases. They could pay annually, they could pay quarterly, or they could pay monthly.

I've been messing around with some of those different payment frequencies. It's really interesting to discover what happens when you do that. I'll give you a few tips on that. One tip is get your first customers, get them grandfathered in or locked in at a low rate than your eventual customers so that they feel like every month or every quarter that they're being billed. They feel like they're winning because they took a bet on you early in your life cycle.

Because in a year from now or two years from now who knows how powerful you'll be in the space. You'll be looking back at your first programs thinking, "Geez, I undersold myself there. I was too cheap," but your customer will be thinking, "This is like me buying a Van Gogh painting before he was famous. I got in at the ground level and I'll never let my subscription lapse."

If you think about it, I'm looking for examples outside I want to go to a webinar plan that I purchased seven years ago, and it's a \$100 a month or \$1,000 a year, something ridiculous, for a 1,000-seat webinar. These days it costs hundreds per month. I would never let that subscription go because it's such great value and it's so much cheaper than to replace it with the new version.

John: Okay, okay, right. It's positioned differently as well because you're grandfathered in.

James: I always do this with my recurring subscriptions. I've done it with my services. I've done it with my coaching communities. I've done it with my mastermind. The longer term loyal members got in, they took a risk on me, and I repay them with loyalty. Each year I get better, and our service improves, and we refine our ability to deliver results and the rates go up because it's worth more in the marketplace. Everyone's a winner in that scenario.

John: One thing I just thought of when you're talking about building the team was how do I pay them in terms of what's the model? I was thinking if I'm just going to do autoresponders maybe that's too simplistic it sounds like. I was just going to say I'm going to pay you per email, so I'll pay you \$30 per email, \$50 per email, and you just write X number of emails for you. It sounds like what I really need is someone to come on and really understand the entire system and they put in 30, 40 hours a week for a salary, and then I get them trained up so they can deliver this the autoresponder rescue pack or those different things.

James: This is where you pull out a Google docs or a spreadsheet and you start factoring your costing model. This is something I would regularly do with a mastermind student. When you're working out how to package services you need to know how long does it take to do the service and how much are the equivalent rates for the service out there in the marketplace.

There're a few ways to cost something. You can do a cost plus profit margin which is pretty typical in a retail market. You might say to write an autoresponder takes one hour, for example. I don't know how long it takes. I'm just making that

up. Maybe say it takes two hours. Let's say that you would have to pay somebody who's half good at writing \$20 an hour if you're getting a really good writer in a student environment or something. It might cost you \$40 to write one autoresponder. The cost plus profit margin might be \$80. You would sell it for \$80. You want 100% profit margin, right?

John: Yup.

James: Now then you'd say a good well written autoresponder might cost me this much, this is how much I want to sell it for, and then you can start packaging them together and having bulk discounts and you can put them on a long-term contract.

Now you can work out should I be hiring people per order autoresponder or should I be paying per hour because you get someone good over time they're going to improve their performance by about 20% as a baseline because they get more in the routine, they get some comfy job security, they enjoy it, they're good at it. Now they can basically have that stability that comes with being an employee, and you know that you can get a good effective rate per finished autoresponder. It might be lower than hiring a freelancer.

If you're paying \$20 an hour for a freelancer, chances are you can probably pay \$7 an hour for a full-timer because you're taking more risk. You're committing to a longer contract.

In the case of my team, I'm committing to perpetual employment of more than 50 people, so I'm taking the risk. My risk is that I can buy all this labor. I can buy whatever it works out at, 500 hours of labor a day, and then I have to be able to package that. I have to use that labor into packages that I can then resell for a profit margin. The good news is that it works out for me that I can do that, but I couldn't do it if I was hiring them piecemeal or per unit. There's only a few roles in our company where we'll pay per unit and that might be per press release or per article. They're very similar to an autoresponder.

It's up to you to work out a job agreement that works for. Do you want full-timers? Do you want some part-timers? What part of the world are they going to live in? What level are you going into the market at? Are you going in the IM market or are you going into the high end commercial lawyer retail market? Because you could sell autoresponders for thousands to those customers and you'll probably sell them for tens of dollars for the low end of the market.

John: I want to go to the top end.

James: Go for the top end of town. That's where you should focus. That's where my resellers are focused. They're selling to real businesses. Here's the other thing, are you selling wholesale or retail, and that's why you really have to work out who is your customer? Is your customer a reseller who's dealing with the end user having that end relationship? Because if you're doing that then you're going to be deal with the same people over and over again. You're not going to have

the relationship with the end customer, but you're not going to have all the hassles that comes with that. You're not going to have to answer all these questions or educate them from scratch because your reseller does that. That's what they're doing as the retail. They're actually handling all the customer service. You've effectively outsourced your marketing, and now you've become the supplier. That's your special skill set.

Now if you want to retail these, just keep in mind that you'll have to consider some things like customer support. At the moment, it's you and you're going to get bogged down really quickly with crappy stuff like what do I get, how much is it. Every time someone asks you that make a video or an audio about it and put it on your FAQ page and build out your library of answers to every possible question that you could ever be asked which is where we're at now with our SEO stuff.

We have FAQ pages. We have glossaries. I have stacks of videos that answer what is the difference between blah and blah. Then, you're going to need to scale up support.

For support, it's not expensive to do this. You set up a Zendesk or similar. You make sure that it's under your branded name, and then you hire someone to run it. You quickly train them as much as you can to handle support because that's what's going to get you busy unexpectedly is support. A lot of people with my business say, "Your support team is amazing." It's no coincidence. That's because I came from a high level brand. I understand that it's frustrating when you can't get anyone to talk to you or to explain something. The secret to our recurring business, and I will credit Dean Jackson for helping me on this concept, is to continually focus on keeping that customer that already have instead of continually chasing new ones.

If you just look after the ones in your system, and that's where support's really important and lots of other little techniques you can do and that's a more advanced topic, but you'll be diverting a lot of your attention onto retention rather than acquisition once you have a recurring model in place it will be that valuable for you. Instead of having to be out there promo-ing and firesaling and jamming orders into the final discount sale or cyber Fridays or Black Mondays or whatever they are, you're going to now just sit back, relax, coast along. If you're lucky enough you'll end up with the business like mine where there's so little pressure and hype involved in making sales. It's really just looking after the people you're already dealing with game. That's such a better game.

John: Absolutely. Then, I start listening to podcasts on one-time speed instead of two.

James: Yeah, you can chill a bit, take your time, enjoy it like a fine wine or a good meal. You don't want to rush that down.

John: It's all those vegetables. One thing I'm really interested in is I can see how the model could work. Let's say once you have something up and running whether it's a rescue pack or any sort of package like that, once it's running it seems like

it's fairly easy to fee the rest out. You're just ironing out the kinks.

The initial part, like I'm just not sure about that. Am I meant to be let's say coming out with five or 10 different packaging or offers, and then just putting them all on one page or sending them out at different times and just seeing ... basically chucking out different types of bait and seeing what people buy it?

James: It's not ideal. It's not really the minimum viable product start up thing doing that. Really, you should be working more with your customer's problem like Gary Halbert was famous for saying, "All I want is a starving crowd." What are people starving for? What do they already ask you for? That's a good indicator rather than you having to guess.

John: Once I've done that, once I've let's say I've gone into my email inbox and I'm looking at people who have emailed me with questions in the past to warm leads or whoever they are and I have a list of things. How about this package? This package looks like it'll solve ...

James: Hang on a sec. Are you getting people asking you to teach you how to write autoresponders who have bought your product, or are you getting people so say can you just do my autoresponders for my business, or they say I have someone in my business could you tell me if they're any good or not or train them? What sort things are they asking you for?

John: The most common one would be someone who says ... usually, they don't seem to know much about it, but they're like I want to set up autoresponder for my business when can we talk? It's a very vague thing.

James: Do they want you to do it, or do they want you to show them how to do it?

John: I would say in most cases they'd want me to do it. They want to get on the phone and they want me to suggest some sort of solution. When I was doing client work six months ago I would get on the phone with them, and I'd just talk to them, find out what their problem is, and I'd tell them, "How about we do this? We'll do a 10 email autoresponder," and then they'd pay me to do it.

James: Right. Simply you just an offer, and then a system to cater for it and get your funnel cranked up. It might look like this, you might have a page on your site with a video of you saying, "Hi, your business is probably underperforming, blah, blah, blah." You know all the reasons and the hooks and everything. "The next step, if you want to sort this out is to apply for our autoresponder fast start program. In that program we will find out more about your business, design an autoresponder sequence system that works for you. We will install it and you can expect these sort of results. If this sounds like what you're after apply here.

Have them apply and pay some money. You need a trip wire here to stop yourself wasting time with people who aren't right for the program. The deposit will count towards the service. As a minimum ... like you could do something like a paid report, and we do this our SEO. People pay us to go and look at their site and tell them what's wrong with it and what we do to fix it. We include that as a rebate against any service. If they don't buy something, then they have a great value

report. Okay?

John: Okay.

James: You could have ... the first step is you order autoresponder diagnosis report. That's where you tell us what your business is right now, what if any autoresponders you currently have or how you're communicating them, what system you use, and we will give our professional opinion.

They fill out this form. They pay the money, so now you have a qualified lead. Then, someone in your team who you've hand trained in the beginning will go through a check list, and they'll fill out the answers for all of the things that they could then give to you. Now at the first time you're dealing with anything you have a paying customer who's already paid you and someone on your team has delivered you the things.

Then, you teach them what you're going to do as a result of those. You create a system for finding out the hook, structuring the emails the way you like, formatting them, integrating them into whatever CRM system they have, if any, or recommending that they use your affiliate link to join one so that you can go and set it up. Then, you send back the report and you say, "Here is what you need to do, etcetera, etcetera, and here's how you get started on the program." You have a monthly program or a quarterly program that says you roll out phases.

Phase one will be designing the autoresponder sequence. Phase two will be implementing it into the system. Phase three will be running it, split testing it, and coming up with improvement suggestions. Phase four is leverage where you take all the things you've learned and add the next layer of triggers and responses. Phase five is you go and rewrite all the autoresponders and check the analytics in the click tracking and so on. You have 10 phases that you take people through that loops around and around and around and just goes on until they say stop.

John: Okay. You do the phase. You write, do all the emails. You deliver it, and then you go and reiterate, and then you'd reiterate, and they just keep paying by the quarter or by the year or whatever.

James: It's like when you buy a car. People think that's the end, but that's the beginning. From now on, you're going to buying fuel, tires, insurance, registration. You're going to service it. You'll be buying spark plugs, oil hook, gear boxes, petrol caps. It refracts. It just goes on and on. Details.

They come in thinking I need to get my autoresponder sorted, but is there much more you could do for that business once you've written those autoresponders? It's not like you just write them, pop them in the system, and then leave it. If you think back, you did this originally for Lifestyle Business podcast, but they probably have other businesses. They have e-commerce stores. They have a membership community. They've changed the name of their site. Have they gone and revised all of those things? Are they optimizing everything that you could be

doing if it was business? Probably not. It'd be time to reactivate those people.

John: Okay. This is fantastic. I have tons of ideas now.

James: I'm thinking that the best idea of all is aside from your services surely they would be space for a community of people who want to specialize in the craft of writing autoresponders and to be able to go and offer services like this to other businesses which you could then have them buying your wholesale service.

John: You mean they would come in, they would go through, say, my product that would teach them how do it, or they would just go and sell the service?

James: Yeah. Let's say you have the, by the way, do you like how you kept talking about the rescue pack? Because even though I mentioned it once it was so catchy you can't help but remember it?

John: When you give a name to something like that it's that hook.

James: That's right. You come up with a catchy cool name for community. I use the word community because that's what we want to build, but we want to make it something really cool. There're lots of different names out there for communities. I'm actually building a brand new community now. It's such a cool catchy name that I love the name so much I get emotional and warm and fuzzy about wanting to create it.

You create an amazing community which is really dedicated to the craft of Autoresponderology, whatever that happens to be, all of the encompassing elements. It has a blend of copywriting. It has a blend of technological understanding, a bit of persuasion and psychology. You specifically dedicate this community to the aspects that every business really finds appealing and that is that the idea that they need to capture and record onto their database, and then have a sensible communication with that person that will increase sales.

Then, you go beyond just that initial capture. It's how do you reactivate old people. It's how do sell more to your existing customers with cross promotions, and how do you even get customers referring and promoting. You're going to have these seven layers of autoresponder graduations that people could go through and you could have modules in a community. You could charge them a fee. It might be \$39 a month. It be join in our community.

We will teach you to go beyond the surface, to go past where most people go with deep insights into these seven different areas. Not only that, we're going to show you how can turn this into an amazing business for you. Once you know how to do this you will be the hottest thing going to any business owner, especially if they're not doing a fraction of this which pretty much every business falls into that category. Should you want to go out there and hook up customers and if you find yourself swamped and you can't keep up with it, then you can come and buy rescue pack hours or whatever you want. Like you can provide them the services then that let's them have it all done for them because effectively you're they're surrogate team.

You're the backend because you've gone and figured it out. You've hired. You've trained. You've systemized. You've SOP'd. You've set up the system. They're not going to do that because they're not John McIntyre. They're going to be focused on business development and marketing. You have your marketing team in place, and you're training them, and they're paying you to learn.

John: Yup, okay. This is a lot like what you do with fast way of forming an inner circle.

James: Fancy that. My very best customers they will pay me, when I say that I'm being cheeky. They invest in themselves. Let's be clear on that. They invest in themselves to learn from me how to grow their business and where they need help beyond their potential or capacity I step in with a service that can provide everything through website development, hosting, and search engine optimization.

There are services I don't provide. I don't provide autoresponder or CRM services. If someone like you did, guess who's customers are also your customers?

John: Why don't you do any autoresponder stuff? That's just not your key area?

James: It's not my key area. I think I write a reasonable email. We spoke about this on my podcast about I have a different approach than a lot of other people. I've really gone into behavioral based triggers and sequences. I do a lot of fresh content with my own racecourse. I can't do everything. I've tried. I've done a bit of pay-per-click advertising. I've done a little bit of social media stuff. It takes a lot of energy and effort to grow an entire business around it.

We've done well with SEO. We do over a million dollars a year in sales revenue for that. Our website development and hosting is my current focus, and we're really kicking some butt there. We've very quickly busted through the six figure mark and we're on our way to seven.

Again, to do eventually single splinter I'm just one guy. I still have a very successful mastermind and Internet business community to work on. They're my passion spots, I suppose. They're the ones where I'm really putting a lot of my focus on next year. There's a lot of gaps for other people.

You want to go and be a Facebook agency, you will kill it with my audience. You want to be a pay-per-click expert, you will kill it with my audience because I don't those things. There're hundreds, like there're literally hundreds of people. It's like your friend Ben who's in the podcasting area. He wants to do this sort thing in that space. He's going to smash it because it's just getting started. So many opportunities.

That's why I think if you're looking for building a recurring revenue business, then you just think what's your special ability, what are you known for, how can you structure it so that you're not doing every single piece of it, and what are people asking. I reckon it will come down to a do-it-yourself program that you can get people to pay you recurring for you to teach them the subtleties around it whether you create an autoresponder training for it or a community. Then, there'll be the done-for-you services where you package things up in a way it

might also work for retailers.

John: Okay, okay. One thing I wanted to ask you about before we go is these mastermind things. I actually ran a mastermind with a couple of people. We finished two weeks ago. I charged them \$1,000 and we jumped on the phone once or twice a week. It ends up being that I would just review their emails. By the end of it, they were really happy. I'd get on and review one of their emails for half an hour, and then other one for half hour, and that'll be that.

What do you think about that? To me, that's like ...

James: Did you enjoy it?

John: I enjoyed it, but showing up for the calls annoys me. That's just a personal thing I think.

James: What was your effective hourly rate for it compared to the other things you do?

John: Quite high.

James: All right. What if you had 30 people paying \$2,000 or \$3,000, let's say 30 people paying \$3,000 for a three-month course?

John: Yup.

James: You'd have \$90,000. Is that right?

John: Yeah, yeah.

James: If \$30,000 a month? It's \$1,000 a day and you just have to speak them maybe once a week for an hour.

John: Yup.

James: That's an unleveraged way compared to what you could do, but it's still not bad, right?

John: Absolutely. One thing, this will be a whole new conversation, maybe we'll have to do another time, but the mastermind thing. I wouldn't know how to a mastermind with 30 people.

James: I do. I've set this up for so many people, like dozens of people. Everyone from Ezra Firestone through Jen Sheehan, Victoria Gibson. There's so many. It's always worked well. It really comes down to if you enjoy it and how profitable it is. It's something that I enjoy.

The reason I enjoy it the most is because it really sharpens me up. Another reason I enjoy it is I tend to have my very best customers, so that I get to talk to them every week. It's like paid CRM. They're paying me. I get to turn up and give them massive value. I learn a lot in the process, and then I'm able to provide every kind of service that they really need and that will solve their problems. It tends to work out really well for me and for them.

John: That's what I found. Apart from the fact that I had to wake up in the morning and show up to the call I had a blast. It was great. I learned so much about some of the core problems that people are having when they're sitting down to write

emails. It's fun building the relationships with people who you'll never probably meet, but you were able to help them get better results in their business. It was very satisfying and fulfilling. I think ...

James: Here's the thing. Like in a leverage sense, I did this with Mark Rhodes for PPC and we called it Superfast PPC. I did it with another guy called Andy who's a superaffiliate. We called it Superaffiliate Master Class. I think we sold 30 or 40 people at \$3,000 each. We did 10 weeks. I recorded the whole thing, and then sold it as information product for hundreds of dollars.

John: When you get on the phone call with them, are you getting on a phone call with 30 people?

James: Yeah, you set up a GoToWebinar or GoToMeeting depending how many people. You have a framework. In this case with those courses, we just did a 10-week course. We did PowerPoint presentations, and I wasn't even the subject matter expert. My role was to get bums on seats, make the sales, organize the expert, run the thing, record it, and prosper.

I still have those courses inside Fast Web Formula which people can now pay a monthly fee to access. I'm still getting recurring revenue from that work from a few years ago. You know why I did that in the first place? I did it for one of the reasons you touched on in this call. I did it to see if I could make Silver Circle work without me in case I wanted to sell that at some point. The proof of concept was successful. Yes, I can. Then, I would switch back to me being the expert and running it like that in its current iteration. I am the talent in that. I don't have a prestructured call each week, but I do one-on-one work in the background to help people map out their quota and we push through that and the results people get are just off the Richter scale.

We say, "Okay, you want to do a mastermind." I give the exact blueprint. I show them every single step of the way, and then I make sure that I crack the whip every single week that they're implementing and getting progress. It cannot fail if they do what we talk about. That's the result that I'm delivering. My result that I would like deliver anyone is that they will double their business within three to six months. That's a very typical result in that environment because I have filtering in the first place. I'm only speaking to people who apply, who have watched the material, who feel they're a good fit, and then I spend 20 minutes talking to them to make sure, and then I send them the link where they can purchase. They can't just buy this. They have to apply. They have to be accepted, and I reject at least 50% of the people that apply who aren't ready yet or aren't a good fit for the program. That keeps the group solid.

John: Interesting. One thing that I'm just really interested in, I know that I'm enjoying talking about this. I'm sure you are too because there's probably people here who are listening who might want to join.

One thing I'd really like to know is what when you get on the call? How you coordinate 30 people on a phone call with some sort of organization so you get

something out of it? You ask someone to put up their hand or do you have a topic of the day?

James: There're a lot of ways you can approach this. You could prior to the call ask people to submit their best questions, and then you can consolidate them and find out which ones are going offer the most value to the most people, and you can cover them as some bullet points. You could preset modules that you want to cover each week, and then have Q&A time.

At the moment, I run our mastermind call each week even in Fast Web Formula and we'll get 30 people on there, but not everyone will want to participate but they love listening, and they like observing, and they like being there in real time, and they might like to chat a question as well. You can chat or you can have voice.

In the case of my mastermind, I actually have three call times. I can address anyone in the world. I have early, mid, and late. That gets the US and North American market, and then the mid section tends to get the Aussies and people from Dubai and New Zealand, and then the late session I pick up Europe. I get the English people and the late Aussies and stuff. That way I usually have around about 10 or 11 people on each call. I don't stop the call until we've spoken to every single person individually.

We have a pretty simple format of what they've been up to last week. It's really important to celebrate wins and to share successes so that everyone on the call benefits from 10 successes, something that worked for 10 people. They might share their best tip for the week. Imagine if you have a high level entrepreneur doing six or seven figures a year and they're telling you the one thing they did last week that was amazing. If you pick up 10 of those a week you're going to move forward.

Then, we talk about what they're going focus on for the next week. What's the one thing and I really want to narrow it down to one thing because you can't escape one thing. That will be the thing that moves the business forward more than anything else.

If this was a mastermind call and it was turn right now I would say, "John, what are you going to do between now and next week's call that is going to change your business forever?" It could be something like that you will sit down and plan out your recurring program or your recurring programs. I would suggest in your case you have the potential to do at least two, probably one of the do-it-yourselfers who want to pay you to be engaging with them with occasionally and perhaps a forum where they share ideas around autoresponders. You might want about 60 people to make that work and somewhere from \$30 or \$40 a month would be enough to get that going. You might want to do a high level done-for-you-service.

The thing is the lower price do-it-yourselfer forum is probably less demanding on you than a service business in some ways because they will help each other. You

have user contributed content. They answer each others questions. They form a community, and then you can do other stuff like an annual event which you've been to my event. You've seen the magic that happens when you get a community of people who know each other and bond well, the same as you'd find at the event we went to in Thailand. You get a community of people who share experiences. It's a really satisfying and fulfilling thing to be a part of that. There are also income opportunities for you if you get it right to continue other services that you can offer these people, at least a great broadcasting platform for you to share what's new with them.

John: Okay. This has been fantastic. Thank you. Thanks for coming on and sharing about all this.

James: I hope you have some ... you probably have more questions than answers. My goal really, as you mentioned in the beginning, I'm looking to stir some thoughts here. I want to cause a bit of questioning, go back and test some of your assumptions, ask yourself some big questions because you'll get some big answers. It might be something like how can I put together a program that works really well for my customer and solves their problem in an amazing way, they're happy pay for, and that I don't resent that I actually enjoy delivering. It might involve a few team members. There's going to be a bit of work. I'm not saying this is a magic pill. However, I've really put a lot of time and effort into building communities and building service businesses in the recurring space. I have at least four now. I'm doing a fifth one or maybe it's the sixth, I'm not sure, even down to hosting which is a recurring service that people really need and there's a big gap in the market.

Think about putting in the work up front because once you make that sale and the thing's working it's such a great flywheel to have spinning. It just throws profit off and everyone feels like they're getting great value.

John: Absolutely. You're absolutely right. I have more questions than answers right now. I'm go away. I'm going to make that plan this week.

James: I think the most important thing right now you should be thinking that the last thing you want to do is continue your job of exchanging money for writing emails in an unleveraged fashion. That's has to go, for sure, right?

John: That's exactly where I'm at. I just wrapped up on these other project just before the conference in Bangkok, and now I'm like I want to find a way to grow Drop Dead Copy, but I don't want to do any client work myself. I want to figure out a way, and of course, there're plenty of ways, but I want to find a way to do it so I don't write a thing because my job is to go and do the podcast and make connections and grow the business.

James: You got it. That's exactly what you can do, and that's what your question might look like.

John: Okay. Cool, man. Before we go, I tell people I'm sure they're probably wondering where they can hear more about Fast Web Formula, Silver Circle, and all the

podcasts you run as well.

James: Probably the easiest place to go is just superfastbusiness.com. I put up podcasts and business videos, most of them lead somewhere, of course. You'll get to see what I'm talking about in action. That is a really successful site for me. It's only a year and a half old at the time of recording this, but it's my primary place at the moment. It feeds all of my businesses which are on the products page.

Even if you go and have a look and just see how it's structured, but keep in mind that I've been able to build this business, I'm the only person in Australia involved in the business. My team are overseas, and they are mostly involved in running the services. I'm mostly involved in running the community. You can build quite a scaled business if you think about it from the customer's problem point of view and how you can solve that without you having to do every step. Hope I see you over there, and thanks so much for being brave and asking yourself honestly some of the big questions that people hide from.

You're half crazy. You've invited me to come on your own show and critique your business model. I reckon you'll get something from it too.

John: I was a little bit nervous coming up to it. I know you can be a blunt guy, so I was wondering ... I didn't really know exactly what to expect, but I know that this sort of thing is so valuable. It's incredible. The why not. Let's do it. Let's see what happens, and we'll make a podcast out of it.

James: Cool.

John: All right. Listen now, if you want to check out James' videos its superfastbusiness.com. I've been watching them the last week. I was just saying to James that I've been doing it while I've been cooking dinner. It's a great way to make use of that time if you have no one to talk to. It's great content. You get some of the long podcasts an interview with a guest and some really short stuff, just short and snappy. Definitely check that out. I'll have links to Super Fast Business in the show notes at dropdeadcopy.com. Thanks for coming on, James.

James: Thanks, John.