

John McIntyre

Hey, it's John McIntyre here, the autoresponder guy, and it's time for episode 104 of the Mc-method Marketing Podcast, for you to discover how to convert more customers with less effort by creating an automated email marketing machine that works even if you're on the beach, hanging out in the sand, doing a sand castle, because you know, we all like to build sand castles. We're all kids somewhere deep inside. So, today we'll be talking to Freddy Lansky about a very unsexy topic, to be honest, but it's actually quite important, and this is "Hedging Your Bets". Now, the problem is most people get into the game and when they first get started in their business with marketing, they have one traffic source, or one product that they sell. The problem is, you know, when they get banned from that add network, because you know, it does happen even on Facebook and Google, or when their product falls out of favor or someone invents a better product, whatever happens to be, the business dies. It explodes! And you know, it explodes not in a good way either! In a bad way! You really need to hedge your bets and really need to basically do some protection by having multiple traffic strings and multiple products, multiple ways that your business generates revenues. So if one of them screws up, you've always got a backup, okay? That's what we're going to talk about today: "how to hedge your bets". It's not sexy, but it's really really important and something that's worth understanding rather earlier in the game, than later, because you know you make some big mistakes and it costs a lot of money further done a lot. To get the show notes on this episode, go to themcmethod.com on /104. Now we've got three mentions, three things to talk about today, and number one is the reviews. If you like to support the show and if you're listening I'd love you to support the show! Go to iTunes, search for the mc-method email marketing podcast, leave me a review, and tell me what you think about the show. Give me all the good stuff and the bad stuff. Do you want other guests? Do I speak too much? Do I ramble as a fluff or is it all very important and helpful? Let me know! Because I'll use your feedback to improve the podcast. Now one quick thing here is if you'd like to, you know, instead of reasoning just listen to the podcast and blind training programs and all that, you probably don't have the time. You may not have the time for that. And if you don't, then we should talk. Because I work with clients with small businesses like yours to help you create more, to basically create these campaigns for you. So instead of you sitting down and do the research to know how to authorize the emails to create the copy, to create the hooks, I can do that for you, can take all that off your hands, so you can take all that time you would have wasted doing something that you could have paid someone else to do. You can throw that into managing your business, instead of doing someone's technical work. Send me an email at john@themchmethod.com and we'll have a conversation this week or next, to figure out if it's a good fit. Last but not least, I've got this week's McMasters inside of the week, which is 'follow a blueprint'. You need a blueprint! If you are going to do anything, whether it's running an autoresponder, running a sales-letter, creating a business. I mean, in one sense there's no blueprint, you have to make things up as you go along, but at the same time, do what works. Don't try and reinvent the wheel. If something's already working for someone else, there's a good chance it's gonna work for you too. And instead of trying

to be, you know, some creative rockstar, and come up with some amazing auto-responder, just follow a step-by-step system that shows you what to say where, how to say it, I mean even use templates! Templates aren't gonna be as good as something completely custom, but they're gonna show us how to be better than nothing, which is what's gonna happen if you procrastinate and put it off not doing anything cause you don't have a blueprint. So! That's where McMasters comes in, and it comes with a McIntyre method, the flying ship training program 'How to Write a Canned Email Response'. In just four weeks you do it yourself and you will be updated and tweaked to your heart's content, and it's all based on a step-by-step system that anyone can follow. You know, I tried really hard to keep things simple and that's really the whole mark of that program. That's inside McMasters. There is also a forum where we can ask questions, get feedback, really stay accountable to the tribe, and make sure that you're following through on what you need to do to grow your business. And that is that! Let's get into this interview today on 'Hedging Your Bets', with Freddy Lansky.

It's John McIntyre here, the autoresponder guy. I'm here with Freddy Lansky. Now Freddy canoed me through the dynamite circle, which is a digital nomad community. That's how I put it. I hate that phrase, man, 'digital nomad'. It's much really work online, and have business and do all that fun life-style stuff. And so I saw you sent me a message and 'let's do a Podcast', 'let's talk about email marketing', or some YouTube stuff; or a bunch of different things. And we settled on a topic which is sort of... it's not very sexy, to be honest, but it's things like security, it's really... we summed it up... Freddy summed it up as a 'hedging your bets', which is going to be very exciting when you first get started, with Facebook or Google adds or something like that you're getting a lot of traffic. But then, it's ah, sooner or later, there's gonna be a problem, and you're gonna get a ban from Facebook, or Google is going to do one of their algorithm updates, and all the traffic to your site is gonna vanish in the space of about one hour, which is what happened to me about a couple of years ago. It's not very fun when that happens! So, gotta hedge your bets! Now, Freddie has a website on chess: onlinechesslessons.net. So if you're into chess, definitely check that out. That's the site where a lot of the stuff that we talked about today is going on. You also he also is doing the know-how digital, I think it's the name. It's a house down in Mexico somewhere and that's for people who have an online business who need to go down and hang out. Sort of like, by the sound of my impression, you probably can explain more about it in a second. Sounds a little bit like a college ass, like a bunch of guys, like a bunch of people starting businesses, probably drinking, having parties, and he knows what, but all in the name of building an online business and travelling the world and you know, quitting the rat race. So, I'm kidding here. Little more of a rat that too! Freddy, how are you going there?

Freddy Lansky
John McIntyre

Hey! How are you? It's quite an epic introduction.

* Laughs* Is that did I get that right with the house? I mean what exactly is this house?

Freddy Lansky

Yeah, it's so funny! All my friends that keep calling at the real world house, I mean the real world house but it's really not a lot of drama here, just people doing pomodoro sessions, waking up at, you know, eight in the morning, and crashing workout and you know it's just the generally... Ah! You don't know about this one! I learned about this at the DC BKK- it's a coworking space in Thailand. It's basically a bunch of people getting grouped together and then they do 25 minutes working, 5 minutes off, 25 minutes working, 5 minutes off, and during the 25 minutes you have to work and during the 5 minutes you have to take the time off and go outside, jump on a trampoline, do whatever you have to do. And before each 25 minutes session starts, everybody tells each other what they're gonna be working on, and it sounds kinda ridiculous, but for some reason it makes people really really productive. Cause they're not suddenly feel like people are, you know, doing work and I'm sitting here on Facebook and, you know, some of that stuff. It's weird! It's like the psychology thing that makes you more productive and not distracted because you just did like a verbal affirmation of what you were supposed to be working on. And it sounds kinda silly and childish, but it actually works.

John McIntyre

Nice! Okay! Okay! I've tried it before, I've just never done it in group. If you're interested to see, you know, what the group effect is, I find that when I'm in the office with a bunch of friends, we would not work for five, this is exaggerating, but we would work for 5 minutes and talk about random stuff or another, you know, 20 minutes, do a bit more work, like we never have a routine, which would probably help, but anyway. So, before we enter some of the stuff here, hedging the bets, which is really the sexiest topic in the world.

Freddy Lansky

Yeah! *Laughs*

John McIntyre

We got Megan Fox on the show, this is about today, but what's... can you give a list or a background on who you are and what you do, and a bit of about why you are so passionate about what we are going to talk about today?

Freddy Lansky

Okay! Erm... Well, first of all, I was a backpacker before I became. What's funny we had the term 'digital nomad'. I was a digital nomad and I didn't know there was a community. It's like I didn't even know there was a word. And then people were laughing, I was like 'I'm a digital nomad now'! Like, you know, and it's funny like all these desperate people are kind of finding each other in these different communities and houses, and online communities as well, and just sticking together, so that's a little bit of background of me. I was a backpacker and I started this business in Argentina with a business partner of mine. He was a chess master, and when we started it was just a private tutoring. That was our original offering. And that was about a year of misery where my business partner was teaching like forty hours a week and using all that money to you know invest and make the site better, and building traffic. And then we moved into digital download products, and that was just like ding ding ding-jack pot, like, you know, revenue from a few K a month to five figures instantly, and yes, I mean, since then, that's become our main offering, these chess videos. If you're not into chess, this is basically one of the ways people learn chess besides reading books as they watch videos or just generally a chess board, and now more recently a chess board and they talk about so and so- opening or middle game, or you know this game sorts of player, and it's a kind of an old-school industry, it's been around for a while, and was a lot

bigger in the 90's, and then kind of in the early 2000's it collapsed the old model of doing business where someone would spend thousands of dollars on the production of a DVD in a big studio, and then distribute to all these chess shops it was kinda dark ages for a few years. We moved in just at the right time to kinda start back up again when we hired the grand masters to record these chess videos at home, with a simple screen-recording software, find a stream-line way to edit it and get these out really really easily, and that's kind of our competitive advantage. So that's who are now. And then about a year ago I found this community has moved in the email marketing. Just moving into this conversion rate optimization marketing and all this really exciting stuff that's like wow, this is just going to be the most cost-effective way of just expanding and scaling my business.

John McIntyre Nice. Nice. Okay, okay! So what's been the biggest win? I'm curious. I've lost a few years. Where's the... This is just a really quick question, but what's been the biggest win the last year? The biggest lesson. The biggest like boom, this is good!

Freddy Lansky The biggest... The good lesson... Erm... Really just the email marketing over the last year. It's kinda funny, we're going to talk about the dangers of only depending on the email marketing, and then it's going to be preceded by me saying you know marketing. But it really is! I mean you know Google Facebook and YouTube and all that stuff are great, but you've got to get the email addresses, as that's just where all the conversion happens. Something about somebody clicking from Facebook or Google or YouTube... YouTube are quite warm as well, but still not as warm as the email traffic, and just building auto responders and then... I'm a big Infusionsoft user now, and setting up the auto responders by skill level at something else we do and then now we... I think it was one year ago a podcast with the guy from the Deadline final. We haven't checked that out yet, but I'm so excited to try to build these time dependent sales that just work in the long terms funnel. Cause now it's like each week we have, we have a 50% sale on one specific item. And we have to like set all this stuff up and it's not automated at all, so I think that's really right now where the money is at.

John McIntyre Yeah, man! It's incredible what you can do with those deadline funnels. There's a bunch of software you can use and adding like a discount and the emergency to it just cranks the sales up. It's really fascinating to watch.

Freddy Lansky Yeah.

John McIntyre So when you get that down the funnel automatically, that makes you do your job so much easier and it's like you keep these promotions going and you just sit back and collect the checks.

Freddy Lansky Yeah, It's pretty incredible!

John McIntyre Absolutely! Alright! So tell me about this hedging your bets thing! What's in it for someone who's gonna hedge their bet? Why should this be a sexy topic?

Freddy Lansky I mean it's not really sexy but it's just something to think about, like what I was telling you until maybe 13 months ago, I never like came across a so large entrepreneur community. I was kinda doing my thing. And when I did start talking to a lot of people that run all these businesses and not working like crazy for example, or... you're in Chiang Mai, right?

John McIntyre Yup.

Freddy Lansky

There's so many entrepreneurs there. And there's a certain thing where it seems to me some people have kinda just one product or one traffic source, or, you know, one way of conversion, or one specific, it's just like they're putting all their eggs in one basket, and it just seems like a very very high-unnecessarily high risk- where if you are kind of a lower level entrepreneur and you are still trying to move from five to six figures, or six to seven figures. It's the most important to consider it like a game of poker. The most of this important thing before winning all the pile is making sure you don't get knocked out of the game. And I just notice so many people. It's like, you know, they sell one product, but what if that product has one competitor that comes out or something. I mean could you sell their product? I mean what's your hedge on that? What's your hedge on traffic? I mean you get maybe so many people depend so much on Google or Facebook, or, well I guess not so much YouTube, and I always kind of mixed up the traffic between affiliate referrals, Google, YouTube, word of mouth, and all these different things, so if something happened, you have a little bit of a hedge, you know, that the house isn't on fire, and we also... It was not... It's funny! We decided in the end that we would almost. We do eBay and Amazon sales and they never equaled out that much, you know, just a few percent. Four-five percent each of our total income. And we must get rid of it, cause it's like 80-20, and getting rid of the non-performing assets and things like that. But in terms of as long as it's not taking up your personal time, if it's not taking up your time, then any investment you've already made is making more than zero, there is a reason to not let it go. So that's kinda how we built our business a lot, you know. We get YouTube adds, we get erm money from eBay, Amazon, and a little bit from all of those deals as well, and that all balances out a little bit. So if say something really bad happened on Google or Facebook, or YouTube, you know, our business wouldn't be wiped out in one day.

John McIntyre

Mmm. What's interesting here is I've been having this conversation with a few people here in Chiang Mai lately. I mean, people get this. Well, yes, they end up with a business that does... I have a friend who is doing up to a million dollars a year. And as far as the revenue on sales was there, they were reckoning they were loving it. They bought a new car, you know! A whole much of cool stuff was going on. And then, they didn't have the balance sheet. One of the sheets that the business tracks these numbers. You know, they had some warning signals and things like and basically ran out of cash, and the whole thing imploded. So they went from five-six million dollars, to in debt. I think this happens a lot, so, because people think that...

Freddy Lansky

Yeah!

John McIntyre

People think that gravy trains never gonna wet. You ask them what's the traffic from Google and Facebook or YouTube, and there is this assumption that yeah, man, we're making so much! We're making \$5000 a day, this is so great! And you think it is just always going to go up, and on, and up and then one day something happens and especially if you're new and haven't... you don't know anyone who has done this, or it hasn't happened to you, it's really easy to think ' that'll never happen to me'!

Freddy Lansky

Yeah! Definitely! Until it does. But the funny thing is like the bigger the game you're playing when it comes to your business, the easier it is to get wiped out.

I mean it's like at the point where we're at. I mean we have to make like two gears a day, just to basically break even this month. Imagine now something goes tanking. It's like 'boom!' you can end up with six figures in debt just in your company clot. You know the higher up you go, the bigger of a game you're playing. I think it was you that mentioned as well that book- All the Money in the World. I've been plowing through it a bit. It's really a long book, but it talks about some of the Forbes 400 people that just they got a little too crazy and they got into the wrong bets and went like from billions to, you know, 30,000 a year or something like that, like really crazy stuff.

John McIntyre

Yeah! I mean it's crazy! Like people, you know, think it's money that you make. Once you made it, you know, it's not gonna go away, it's there and the you can get cocky and relaxed. And that's one thing you mentioned here. Like Tony Robbins who wrote that book called Money, and there's a bunch of interviews about that at that too. Tell me about that!

Freddy Lansky

Oh yeah yeah! I was erm... so I didn't read the book like you, but I did listen to the two-hour podcast between Tony Robbins and Tim Ferris which gave me a pretty solid idea of what the book is about. You know, it was one quote that stuck out to me from Tim Ferris that it's like think specifically Warren Buffet like oh, how do you make your financial decisions? And before even thinking would say: 'Oh, I just tried to find the highest way of return', but instead he said 'to make sure that I can't lose'. That's the most important part. So if these billionaires had two paths- one with which they might make a very big return, but they might lose a bunch, and another one where it's guaranteed that they won't lose any money, they always take that one. And I think there was another thing in the podcast where they talked about in the book, I don't know who it was, but to teach their kids the lessons about how to make an investment that will guarantee their return, they bought like five million nickels which apparently the value of the US nickel in terms of alloys that it's made is worth more than the five cents itself, and son, here is an investment you can't lose. You know, we got these for 5 cents and the alloy is worth eight. Like those are the type of investments you need to make. So I think it's good to take that mentality into your business, where you have multiple streams and multiple products, multiple traffic sources, multiple promotional sources, and kinda stick your tentacles out everywhere. I mean we even sell our competitors' products, to make sure that we always stay relevant. I mean, look at the most extreme in case of that would be Amazon, where they sell everything. How does something that sells everything on the cheapest price not go out of business? Another is, the people say: 'oh, well, and what about the paradox of choice?' Right? The paradox of choice! We should sell two or three products, we wouldn't be overwhelmed! Well, I say to those people 'why can't you have your cake and eat it too'. On the one hand, I have all the range of product offerings, and on the other hand, if through your email marketing, direct mail marketing, Facebook marketing, YouTube marketing promote the products at the time like your own products or those that are performing the best or the most profitable, and if things change, you still have the traffic, you still have the momentum. You know, the only way that we could personally really go out of our business is if chess becomes completely unpopular, which is not very likely. That is to never happen you know! You know, I mean, one

thing I noticed about marketing, over the last year too, don't you feel like sites are getting so aggressive with these unbalanced, like these pop-ups, and just like all over the place, I mean it's crazy. Don't you feel like email marketing is depending too much on... I love email marketing! I'd starve without that. But don't you think that right now it might be just a cold war that starts in people's email addresses because of this unbalanced exchange and pop-ups and sidebar and below the article but people, they are just getting solicited their email too much, where they're just getting kind of annoyed with each site. So maybe two years from now it's gonna be a lot harder to get people's email. Or maybe also what's happening with Google is that some of these emails are running up in the promotion box, not the spam, but in the promotion, which some people say that it's okay- I think it's almost as bad. I don't know how much people are checking their promotion box where people say oh well Facebook, you know, they screwed us all over. In 2012 they said build up your list on Facebook and now you basically can't reach them unless you pay. That will never happen with email. But what if it does? It is a weird scenario, where Google says I'll pay chess be a trustworthy program and to get to your list and suddenly email marketing becomes more expensive, because everybody... Its possibility. So don't depend just on email marketing. Diversify that too!

John McIntyre

I mean I... it's some good point that, but I also think that Google would never charge people to get in the inbox. Cause that would be like Google facilitating blackhat spam.

Freddy Lansky

Yeah that would be too extreme.

John McIntyre

It's in a way like Google adds to show up on top of the searches. Let's put it simpler. With Google you can go pay for adds that appear in the gmail inbox, you know above emails, so that's the equivalent there. It's one of these things that I like... if you zoom out and look at it from that broad thing, the idea of business is that you have a product or a series of products and you have a market or series of markets that you sell it to. And then all these different things, whether it's Facebook, or email, or Google adwords, all these different things, they're all just distribution channels. So the main thing is don't depend on one single channel for your marketing, which is probably not exactly what Brian Curt said on the podcast we did for over for six months ago now. Brian Curt was the director of Bodrum or, vice-president of a huge direct mail direct response company. And that was his aim. I don't think he's using it, but he said that a sided single-channel marketing is boring. I mean you get that one point from to just use one channel, but... I mean the point remains, don't just have one channel. Whether it's email, whether it's Facebook, or whatever it is, you can never really know how things are going to change, but only having one channel is like having a table with one leg.

Freddy Lansky

Yeah, it's definitely true. Maybe I got a little carried away, okay! Google is not gonna charge for... It's a bit extreme, but I do see in the next year- two or three, email marketing is gonna get tougher because you and I are not the only ones pretty to the stuff that's going on right now. Like oh well, you know, Google is getting harder to predict, Facebook's cut off their traffic unless you do organic, and YouTube's always been tough. We just got lucky that we've got a market that's fit for it . So you know what's next, is whatever traffic you get, try to get their email, and it's just gotten more and more aggressive, so... I can

notice some of the trends, because a lot of times they... see we run our site in English and Spanish, and we are actually going to expand in three more languages this year, and in Spanish people are much more receptive to the idea of giving an email for you know, this... So we can give them just five or six master secrets before we put them in a long-term motor-responder that teaches them a little bit about chess. I mean sometimes in Spanish, we have one box in particular, the one below the article that in Spanish converts 70% or 80% whereas in English it will just convert to 20% because the English market is just being marketed so hard. And another thing that's maybe some similarity, this is like in the late 1990's, you know like there used to be those pop-up ads, where it said 'hey you won so and so amount of money, congratulations!' When those ads came out they actually had like massive conversion rates, and within two or three years it just dropped because everybody found out about it and everybody jumped on it. And I'm not saying that that might happen with email marketing cause it's been around for 20 some years, but it does seem that right now everyone is really focusing on it, so to really hunt down your email marketing your auto responder's gotta be good, your prime has to be good, the initial pages have to be... It's gonna get tougher. I know it's gonna get tougher, especially in the English market so be prepared for that. Also, have other sources. I mean we have YouTube, Facebook ads as well, and then just directly from Google as well so I feel like we're pretty hedged. It's funny this whole thing about right now there is this trend of entrepreneurs. I like the 80/20 idea, but sometimes people will interpret it the wrong way, where it says 'oh, just take your most profitable sales channel and the most profitable product and just get rid of everything else'. It's not so simple. Like maybe in the short term you might be making more money but why not both ways where you scale up the most profitable one but if any of the other products or sales channels or anything else are making money- keep them! Just in case!

John McIntyre

Yes, that's a good point! The 80/20 is very easy to misunderstand! I thought I first talked about it for a week. So what you are saying Tim, cause we're talking about Tim Ferris, is that I can work for 2 hours and get the same result that I get with 10 hours! Now what if I want to work 10 hours? You know? Instead of thinking about how I will just work 2 hours on those really important tasks and then just duplicate those 2 hours, I didn't really get it the first day. In the first day I really just didn't get it. This tiny era that I misunderstood wholly for 2 or 4 years ago. If you look it's like a trance, because the way we think is we think that the times we are here in this will pass and then it's the future. Time is an ongoing thing, the trend is this ongoing thing. So you know if I'm good at any skill or skill-set or channel in the market, generally, it's going to get more competitive over time, which means you are gonna need more skills, which means you need to keep listening to the email marketing podcast.

Freddy Lansky
John McIntyre

Not a bad idea.

Laughs So all the latest trends will be right here, but what's interesting with direct email right, from what I've heard cause I've got friends with direct mail, cause most people have moved away from it cause they're doing internet or social media now. Direct mail has actually the effectiveness. In some instances it is actually increased with direct email, as opposed to decreased!

Freddy Lansky

Yes, I know, there's a big time comeback. We've been just experimenting with it. It's quite hard to set up some of the more complex stuff but I think that with email marketing, with just direct mail marketing there's just a lot of potential right now. There's a funny meme on the internet or just a little graphic that sometimes pops upon my Facebook feed, which shows the 1990's and it has some of the bunch of junk mail holding all the direct mail and 'I'll throw it out'. And then it says 'you've got email' and they're all excited that they got an email message and then years later it's the exact opposite where they get a bunch of emails or whatever then they got a little something in the actual snail-mail direct mail and they're all excited about that so... Your podcast has to at least contribute to our looking into the direct mail marketing as well but I do see potential of that and I do think that a move in the direct mail can be part of the game because I mean, things go digital, but people still live somewhere, I mean direct mail isn't going away. Right now no one wants to spend the money and I wanted to do something. We have infusion soft, hooked in with fixture funnels hooked in with send-out cards, and one thing that I haven't figured out how to do with them, is send messages that have a coupon code with their actual name on it and the time-expiring date, so right now they all kinda gets the same message. The only thing that we have to do is their name, but we try an email forwarding follow-up, asking them about a successful purchase or abandoned card or wider different scenarios. They get these custom-made coupons that last 2 days from the day they get the email and it has their last name in it. I heard on some podcast that if they put their name in the code that will drastically increase the conversion rate and I'm trying to figure out a way to do that in the direct mail. After a purchase they get the same email with the keep-on code, and boom! Then in the direct mail they get their custom coupon code that would say McIntyre 23 but this offer expires in so and so day with that specific 48-hour or week period 30-day period to that specific customer, that would just be so powerful combining these things together!

John McIntyre

Yes, you're right man. I've been trying to do something to know how it would be but a good developer and some software that can save you right there.

Freddy Lansky

Yes, a good developer. I know they're out there, right?

John McIntyre

Laughs What I've noticed from the Tony Robins book is this probably, cause I didn't have a business background. A lot of people don't know that I actually dropped out of high-school. And then I went to college and dropped out of college and then... you know... skipped university!

Freddy Lansky

Good for you!

John McIntyre

It worked out in the end. But because of that I didn't have a...

Freddy Lansky

Wait, did you have an interview, remember for the DC BKK? Those little ten-minute interviews. Was it Till Carlos?

John McIntyre

Yes, I did one of those, yes!

Freddy Lansky

Yes, did you see mine? It was just cracking up like what do you think about higher education. He was like 'it's a huge scam, especially in the States!' crazy also so... You've got it. You'll be a type-case example of who I mentioned in that little five-minute interview. Someone who you know, high-school, college... It depends on some... If you want to be a doctor or a lawyer maybe

you need to do it but if you're trying to do marketing and online business and stuff, if you do 5 years of that while someone else is in college, you're just going to be light years ahead of everyone else!

John McIntyre

Exactly! Exactly! But the interesting thing here is that when you do have a business background, it's easy to get in there. I didn't understand money. Like what money is, and how to use it, and what it takes to manage a successful business and this is such a fundamental idea. Some people have been talking a lot about how simple this is but the basic idea is spend less than you earn, and violating that single principle has put so many people out of business and made so many bankrupt! Like even really experienced people who make a lot of money. I worked on marketing and email page the other day, the sales page for a product, and this woman in the store was like 'ah you know we figure this email marketing thing, started making money, so we bought a new house and a new car'. And that was her story, and why should we be impressed. Now why wouldn't that email go if she's digging a deeper hole with this thing stops working or when there's a problem and she might need to take 6 months off, the whole thing's you know, gonna explode! One way to increase that, to hedge your bets, is spend as little as you can!

Freddy Lansky

Yeah! I don't know if it was your podcast, I think it was actually recommended to me by a friend, there was a book Profit first. Figured this book? I forgot the name of the author, but it talks about a lot of the struggles that entrepreneurs have where they always had this mentality that if you have a bunch of months, maybe not completely in the red, but barely making any profit, and they are just convinced that all these investments are going to pay off and oh... two months down the road, that's when things really are going to explode. No no, two months go by and then it's 'after the December sale, that's when things are gonna come up', and that's where it sounds just like our company and this guy is like, look, you either have a profitable company or you don't! And that's how I realized I kinda don't. We have this massive revenue numbers, but the profit is just, you know, we have enough money and a comfy little salary to travel and things like that, but for this massive amount of time that we've been working we can't just keep assuming that. It's hard as a bootstrapper because you know all these Silicon Valley funding you have all these crazy exciting things you wanna do but at the same time you have to steer the ship and divide the gross from investments to grow your company and know which one is the smartest and the best, and take a little bit home for yourself! I mean there's nothing wrong with that, right? So that's kind of where to get, and I never did the whole problem with the system cause it gets really crazy where they say you have to get five or six different accounts and things like that. But I did have one take away when I opened the second bank account. Just the savings, it could cover saving stats or whatever, there is profit. We moved it over there. So we've managed to put a little the next day or two, and that's what he recommends as well. He gives an example. If your website just went down today and you incurred all your liabilities without any of the revenue, how long would you have before you are chopped off the ladder in terms of savings and he recommends that you should have at least two months in the bank, just to make sure you're hedging your bets.

John McIntyre Yup. There's one of these sayings that you just don't know what's gonna happen. And this is why it's not sexy! Cause people like to talk of the revenue and say it was an awe.

Freddy Lansky Yes, people like to talk about revenue a lot more than profit.

John McIntyre Exactly! The profit is misleading though! Like, I used to think that that was true, and it's true in a sense, but at the same time the profit just... You might catch a few flights, but that investment's ultimately going to pay off in the next five years. All that money is going to come under the expenses of that month, depending on how you spend it and so then you don't have a profit for that month. But technically you do have a profit, because all that expense, you can really spread that over to the next five years.

Freddy Lansky It's true, the line gets a little bit blurry sometimes, I mean, it's funny you bring that up. I finally... I mean when I outed DC BKK all by myself and when I finally convinced my partner that we are going to all these conferences, it's actually a good investment. So we decided I get a 1K budget a month, so now I'm gonna just lie wohooo! I'm gonna head to Phoenix, I'm gonna head to San Diego, Austen, I'm just not gonna work like crazy, and it's so exciting, you never know who you're gonna meet at conferences! You're talking to a guy down the hall, you have no idea who he is, where he lives. Then you find out he's been on CNN and Time magazine and stuff, and you're like 'holy crap!', you know, I've just met this guy! That's where the magic happens. It's really worth going to conferences and even if you're not looking for investment or clients, that working, always in the long run pays. I mean you understand just by doing these podcasts you get to meet all these people and just have that first touch where you guys are doing this interview together whether or not they are gonna forget you and just opportunities arise that way.

John McIntyre Yes, this podcast has done absolute wonders for my whole business! I mentioned it a few times. Someone on this podcast interviewed me about the podcast and how it came to be and all that. But it makes a huge difference in the long run!

Freddy Lansky You can't look at it the way a web entrepreneur looks at it. Like Google analytics, like oh I had 204... cause who are these people really? Would you rather have 100 influencers listen to you or 100,000 nobodies listen to you? I would rather have 100 influencers so when you look at it like that it is just- I was also thinking of a podcast- it's just such an easy way to level up in terms of the network of who you're meeting! Cause if you talk to somebody who is the CEO of a big company and you try to pitch them something, they're gonna be like get out of my face. But you're just like 'hey man I just want to interview you for 45 minutes and just now what you do'. People like to talk about themselves! 'Yeah, of course!' You know, that's just so incredible! I just got solicited a podcast this year and I thought just, I didn't understand at first, and then I kinda like get it. For a listener, you get to hear the brightest minds, and for you doing a podcast yourself that's just working glory, that's what you think and everyone doing a podcast.

John McIntyre Yeah I mean, and the other thing too. The kinda sneaky thing about it is that when you have a podcast, everyone listens to you, but you- or I, don't listen to all of our listeners. So when I go somewhere, often this phenomenon that took a while to get used to, to be honest, but it's where people come over and it's

like 'hey, I'm John! What's your name, pal'? –'Ah you're John! I listened to your podcast last year, it's great'!

Freddy Lansky Oh, that's awesome.

John McIntyre Cause they feel it like I have this thing from when I was like on the other Bill's podcast, cause I feel like I know the person who is podcasted. Because I spent so much time walking around and research for the podcast, so I know that it's happening in reverse, this person who I'm chatting to knows all about me, listened to how I talk, and knows the jokes I liked, and that sort of stuff. In the meanwhile, I've got no idea who they are!

Freddy Lansky That is great! It's just like the I'm doing the work for you while you sleep.

John McIntyre Yeah! I mean even like that, even with bigger guys, like Iwanda, who is actually in a realistic state right now, please listen to the other ones cause I'm sure that these guys who have emailed me before, I don't get any names but out of the blue they'd be like I listen to the podcasts, or I see sometimes people sign up for the email- this thing- I know who you are! And sometimes I hit them up. It's like passive networking, you know?

Freddy Lansky It's great! It's like when I bring my dog to the park to meet girls and I just let him loose and... he just *laughs*

John McIntyre You just chase him? Maybe he bites someone, you know.

Freddy Lansky I don't know about that one. It's not a rabid dog. It was funny I actually got to bring it from Atlanta to Mexico. So we got on the flight together, feeling like a celebrity me and my little dog and his bag at the airport. I'm like hey, what's up?

John McIntyre Nice, nice. Meet the ladies on the plane.

Freddy Lansky It's kinda like comatose cause I didn't sleep at all that night. I have a 7AM flight and I was working till five in the morning. I was like- okay, it's like almost five now, I'm clearly not going to sleep. That was just a little bit of a blurr. I know, I should talk about that house that I'm living at here! It's just crazy, man! Networking people just running through here all the time. That's just been like the coolest experience ever. I've been here since the end of January at this know how digital house.

John McIntyre Tell me about the house! What's the concept of this house? The know-how digital thing.

Freddy Lansky So, I guess they've already been doing the house thing for a few months. It fun to bring that up about eggs in one basket. People had like very bad PBN hit in the business so I guess one of the ways they expanded to get a little bit of revenue, is they do like almost like conferences, but be sure two or three-week training where people come and hang out, and then on top of that for you know, DCR other people and other people in the house you know you can just live here for I guess \$400 a month for a shared room, or \$800 a month for you own room, and then \$400 more for food. And so it's like the cleaning and the food is just taken care of. It's really healthy! I've gone from... like the last six months I did so much travelling, I've been all over Europe, all over Thailand, then I went from China all the way to Italy by train and I was just fat and out of shape and not feeling too well. And since then, you just get in such a good routine here. People head to the gym every day, working out every day and everybody's just got the same mentality and it's good to be around that, it's been pretty incredible. And the backyard with the dog you know he cares

about his business on his own so I don't have to walk him any more. You know, forget about automating your business, it's like automating your life! There's so much more time! It's great!

John McIntyre

Nice man, nice. Well, we've ran out of time here, so... Before we go, though, some of the listeners might want to know more about you, get in contact or maybe get to hear about that digital thing so what's the best place to do some of that stuff?

Freddy Lansky

Okay, erm, for people who are in the dynamite circle, they would just check the post there and they know that digital is available at the digital.com and when you go to the home page, you will see right on the top 'covert with us' and you can just sign up there. Sign up for the mansion and the city, it's about two hours outside the Mexico city and it's not too bad. It's quite a little town, not too much distractions, but it's a good rhythm. People are working hard during the week and then, you know, a little bit of partying on the weekend. It's just been great here. Last year was the final hurrah of my crazy backpacking life. I used to be so after seeing countries, I still am, but leaving places every three or seven days, you know, I feel you hate your late 20's. You want to do this slow-travel life that is recommended by Tim Ferris and Dan Andrews and everybody else. I moved into that and that's great!

John McIntyre

Yes, yes. Absolutely! I'm with you man! I've been in Thailand, I left the Philippines 2,5 years ago and moved to Thailand just like you know to check this place out.

Freddy Lansky

It's not utterly different from Chiang Mai because just like in Chiang Mai, you know, you're a 50 thousand baht flight away from Bangkok and what is that, \$50 or whatever. I forgot what the baht is it's inaccurate...

John McIntyre

50 thousand baht is almost too grand. So you're looking at like 2000 baht to get to Bangkok, \$50.

Freddy Lansky

Yes, Bangkok, but at the same time the town is quiet. It's got tons of entrepreneurs and it's not too distracting and also pretty just easy-going laid-back life so that's different here where we have this town, quieter than Chiang Mai, really just a little tiny town. It's famous for this big Manly lake that we have in the center where people are paragliding and people come up to Mexico city in the weekends so sometimes on Saturdays there's a little bit of a party but or the most part, just a town but if you wanna go to Mexico city, it's two hours away and I wrote a big post on DC, I'm a huge fan of Mexico city. Especially for people who were raised in the States it's really hell-from. It has so many advantages! It's close to States, it's cheap, so much going on, and it's only two hours away.

John McIntyre

Yes, I like it. All of the links to the digital site are shown on the mcmethod.com. Freddy, thanks for coming on the show, man!

Freddy Lansky

Thanks so much man! It's been a pleasure!