MASTER YOUR MINDSET AUDIO SERIES 2 TRANSCRIPTIONS

MP3 AUDIO #1

Theory Of Constraints

MASTER YOUR MINDSET

Audio Series by Yaro Starak

The Theory of Constraints

Hello, this is Yaro Starak and welcome to a brand new mindset audio, today talking about the theory of constraints. I want to invite you to go and listen to the original Master the Mindset audio series, which I originally produced as part of the very first run of my Blog Mastermind training program. Those audios were created to help a person who's just starting along the journey to create a profitable blog, and there's lots of very powerful mindset advice in those audios.

What's especially relevant about those audios was I recorded them just after I'd taken my blog to the point where it had made between $5,000 and $10,000 per month on a consistent basis. This was after about two years' worth of blogging, so the mindset issues of a new blogger were very much in my own head and fresh because I'd just dealt with those issues myself from the previous two years of starting a blog from nothing and then growing it into my main income source.

It's really important that you listen to the mindset audio about the 80/20 rule in that series. It's the first one in the original mindset series. The reason why I say that is because there are three core concepts that I think are the most important productivity concepts I use, the first one being the 80/20 rule, the second one being the theory of constraints, which we're going to talk about in this audio, and then the third one being the sprint technique, which will be covered in another audio, probably the one you should listen to after this one.

You should already have access to the original Master the Mindset audios. If you can't find them, just send an email to my customer support people and we'll help you locate the original audios.

Let's get going on the topic of this audio, which is the theory of constraints. I'm excited to talk about this with you because it's something that I've actually realized that I used all the way at the very beginning of my internet marketing career. We're talking the late '90s when I was 19 or 20 and just starting on the internet. I didn't call it the theory of constraints back then. I just called it problem solving.

There are some subtle differences in the way the theory of constraints is defined compared to good old-fashioned problem solving, so let's talk a little bit more about how this theory can be applied to what you're doing.

To bring up a definition of the theory of constraints, which you can find easily on the internet – Wikipedia, as always, has plenty of them – I'll just read out one sentence that pretty much sums it up. "The theory of constraints adopts the common idiom that a chain is no stronger than its weakest link. This means that processes, organizations, etc are vulnerable because the weakest person or part can always damage or break them, or at least adversely affect the outcome."

The theory of constraints, as I understand it, is always about looking back at weak points within your system, and the theory is actually about expanding constraints, so opening up weaknesses so they no longer constrain the system.

The reason why it's phrased that way is because it actually comes back from process management, in particular with manufacturing. That's where the theory of constraints was first applied. That's a bit different than what I'm doing as a blogger and what you're doing as a blogger and an information marketer. We're not manufacturing a product or mass producing anything physical, but we can certainly apply it to what we do.

I like to look at it in two ways. You can say you have to have an outcome you want from your business, and you're trying to find what parts of the process needed to create that outcome are being restricted and being constrained, and you need to then open them up. That would be a very traditional view of the theory of constraints. Or as I've often said in the past, you might just call it problem-solving, where you're figuring out by going back and seeing the process – we're always looking at processes – and seeing what is the point in that process, what problem is there that you need to solve in order to make that process work.

It doesn't really matter. We're talking definitions and semantics here. The most important thing is the theory of constraints is a way to think about what you're trying to do, and find what is the immediate action you need to take to keep things moving forward.

What I'd like to talk about with the theory of constraints is how it's an amazing tool for pretty much taking a big-picture concept, like a macro issue you have with your business – even in fact your goal, the one thing you're trying to do. For us it might be to make a blog that makes enough money so we never have to have a job again. That could be our big-picture goal.

You then can use the theory of constraints to take that goal and break it down into a system, a process that you can apply to reach that goal. Then you can go one step even deeper, so you go that process and take it back and find the constraint that's stopping you from executing that process right now.

It actually allows you to go from the macro viewpoint of the goal, the big picture, and drill it all the way down to the micro step that you need to take today in order to continue executing the process that leads you to the goal.

To sum up, the theory of constraints – the way I like to really state it in one simple sentence – is that your goals become processes, and those processes lead to problems or constraints that need to be solved or fixed. It's very simple. Big picture, breaking it down into steps, and then finding small things that you do today – the micro. So the macro to the micro.

You might also phrase it as very simply it's what you want, what you have to do to get there, and then in what order you need to take steps in order to get there. So what you want, down to what you have to do, down to what order of things you need to do, starting today.

That's quite conceptual. What we're going to do now is take that and actually make it a more practical sort of theory application using what we're all trying to do, of course, which is build a profitable blog.

In order to make this realistic, the goal we're going to say we're after is to build a blog that makes money, and it does so by building an audience and then selling that audience a training product. You might sell an e-guide or a course or maybe a series of audios. Whatever it is, you're selling something that you teach. The blog is a platform that builds the audience, and the actual monetization method is the product that you sell to them.

If we're following that model, then we know our goal. Our goal is to make enough money from this blogging business to not need a job. Let's be simple and say we want $5,000 per month consistently from this business. That's our goal.

The system we're going to use to make that money we'll call Yaro's Blogging System, which is creating a platform and then selling a training product using the methodology that I teach you in pretty much everything I have available to you – my courses, my Blog Profits Blueprint, and my blog.

The system you learn in that training is quite complex if I was to try and explain to you all now in terms of every step of the process. What would happen is you would study what I teach you, and then as you do that you'll discover, "Okay, there's five or six different processes or different systems I need to set up in order to reach that goal."

One of the systems and processes will be about content creation. One of the systems will be about marketing. One of them will be learning about what your audience wants before you create a product. Then one of them will be the actual product creation and selling of the product. There's different functions that you perform and there's different systems you execute there, and you learn about them in a sequence hopefully.

The reason why it's important to apply the theory of constraints, and in particular combining with the 80/20 rule, is you will learn a whole overall system through teaching from something like one of my programs will show you. It can be overwhelming if you try to do all of it at once, and there's always a better order to do things in. That's what the theory of constraints helps you figure out.

If you're listening to this and you have very little established presence on the internet – you haven't built any email list, you haven't built any website with a following – then you very quickly go, "Okay, my obvious constraint right now is I have no means to actually reach people

to sell them something. If I had a product it wouldn't be of any benefit to me because I have no audience to sell it to."

You might say, "Well, if I had all this content created it doesn't matter because I don't have anywhere to put it and I don't have any means to market to people."

What you do is you go back and say, "What's my problem? Lack of audience. How do I get more audience? I have to create something that attracts an audience. I have to give them content. Okay, how do I create content? Well, I know how to write but I have to put it somewhere. So how do I create somewhere to put the content? I need a blog. So how do I get a blog? I need to learn about the set-up and installation and that part of this process." You drill it all the way back.

The beautiful thing about the theory of constraints is it helps you to understand the entire goal you're going for and each of the different processes that will need to be executed to reach it, but it shows you that most of them you can ignore for now. You need to know about them because you will do them eventually, but all you need to worry about right now is the immediate constraint that stops you taking the first step in the first process you're trying to execute.

As a blogger, the first step in the first process you always try to execute if you're brand new is buying a domain name and setting up a WordPress blog. I know that sounds very basic. Obviously if you have a blog you've probably done that already. It's something that most people who've spent any time online will figure out reasonably quickly, but I want to point out that that is still the first constraint to having a blog-based business.

That's Step 1, choosing a domain name which obviously relates to the topic you're going to go after. Choosing a topic comes before that even, and then setting up WordPress on some sort of hosting solution, and sorting out your topic selection and your technical issues to create the place where you can start executing the content process that you're going to use in order to build that audience. If you're listening to this, that would be the very first constraint and the very first set of processes I would look at.

I don't want to talk too much about something as simple as choosing a domain name and getting hosting, but it is helpful to sort of show how simple the theory of constraints can be applied, because if that's where you're at you would go, "Okay. My goal in this immediate process to execute is to buy a domain name. How do I do that?"

There's two steps. There's the very practical part where you go to a website like NameCheap.com or BlueHost.com or whoever you buy a domain name from. Put in a domain name, see if it's available, and buy it. That part is easy.

There's no real constraints to executing that action, but it has a massive impact on your overall business, so you don't choose a domain name very lightly because it's a brand new decision. It's a marketing decision, so there's some strategic thinking that needs to happen at this point, because before you choose which domain name you buy, you have to make sure it lines up with everything else in the whole process you're about to execute.

That's when you go through the domain name strategizing process. That might be a collection of steps like researching what names are available, researching good keywords, researching what competitors are using, and researching what names have been copyrighted by companies so you don't get in trouble by taking the word Facebook or the word Twitter or the word Google and using that in your name, because those companies won't like that.

There will be a process – a bunch of steps you can execute for choosing a domain name, and you go through them and ignore everything else. This is what I love about the theory of constraints. It makes me less stressed. I don't have to worry about marketing or content creation or how I'm going to make my product. Right now my only constraint is my lack of a domain name, and to solve that problem I just need to go through the domain name selection process.

There's some steps to complete in that. There's some research some steps and some idea generation steps. I go through them and eventually I solve this problem. I pick a domain name, I register it, and that constraint is now no longer an issue.

Then I move to the next step, which would be choosing hosting and installing some sort of package there to have my WordPress going. There's a process to execute there. It might be quite simple. You log into your website hosting and click a button and WordPress is installed and away you go, but there's also other things that could be part of that process, like making sure you've got the right plugins installed and making sure you've got the theme you want, so there's a bunch of processes to execute there.

Then once that's done, you might be thinking, "Okay, now I'm ready to produce content for my blog, but wait a sec. I know later on there will be a marketing process that requires I have an email list, so I need to make sure as part of my set-up process for the actual WordPress site that I have an optin form on my blog as well. How do I get an optin form? Let's execute the process for that.

"I need to register with some sort of email newsletter service like Aweber. I need to take whatever Aweber gives me and have that installed on my blog theme and put it in a smart place on my theme, somewhere at the top of my site design where people can see it."

As you do this you're going to find that some of these processes actually are too hard for you to do. That's another great thing about the theory of constraints. It forces you to look at the individual steps to complete each process.

If you keep hitting roadblocks with these early processes, you notice that, "Technical things are too hard for me. I should be outsourcing this to a technical person because they can be installing WordPress, installing my theme, and adding the Aweber code so my newsletter optin form is on my blog design after I just tell them. I don't have to do it. I just say, 'I want this done. I want the form there on my site. I want this theme and I want this domain name. You go do it all for me.'"

The theory of constraints will allow you to not only find the constraints in the processes you're trying to execute as a business, it'll also help you identify your personal constraints, which are very, very critical that you identify. These are the parts of your own skill set that stop you from actually executing on these systems and processes.

If technical things are not your strong point, then that's a massive constraint that will stop you from executing most of the processes at the early stage of setting up your blogging business. That's why the constraint then would be, "Okay, I have to make sure I'm not the person doing technical work. My immediate constraint is actually hiring a person to do this for me."

The beautiful thing, though, is because you went through this process of going back and finding the constraints, you start to understand what you're lacking in so you know what to ask the technical person to do for you. That's a big part of how outsourcing can work well.

Trust me, as someone who's had some issues with outsourcing, I know a lot of the problems are because you don't have defined problems that you want your outsourcer to solve. You sort of have things you'd like them to do, but you haven't really listed, "Install domain name. Install WordPress. Install this theme. Install this newsletter."

If you have that clarity of what you want people to do, you get a much better result when you do go and outsource to people, so another benefit of the theory of constraints is that awareness it helps you develop of what your constraints and your problems actually are.

As you go through this process of identifying constraints and figuring out all the different processes that need to be created and completed in order to reach your goals, one of the things you'll notice is you'll identify, as I said before, what parts of you personally stop you from succeeding and executing things. It might be knowledge gaps or skill gaps. You might not know how to do something, or you might not even know what it is you need to figure how to do.

Often what will happen is you'll go through a process of creating awareness. First, you'll discover what the problems are, then you'll discover what the solutions are, then you'll discover the skill sets necessary to actually execute those solutions, and then you'll discover that you don't have them. That's always a bit of a challenge because then you have to go find ways to get people who do have these skills to execute those solutions for you.

That's an important step of growing an online business. You're not going to be able to do everything. What will happen, though, is you'll keep hitting roadblocks. You'll keep noticing constraints, and it will get very frustrating. That's one of the major issues with going through this process, is it does start to show you how much of a job you have in front of you to execute on this goal.

There are a lot of micro-steps to make a process work and to get an outcome, and you don't notice them until you really start to try and do something. What will happen then is it will actually seem quite overwhelming to complete even the smallest of things.

What I find is a lot of people I've worked with with blogs have gone through this process and they just hit this massive roadblock early on of just something simple like picking a domain name and helping to figure out what topic they need, and that's obviously the first step before the domain name. People can spend months just trying to figure out a topic.

Once they do that, they finally get a topic and then they struggle to pick a domain name. Then they realize there's this technical thing with setting up a blog and doing all this stuff with WordPress, plugins, and themes. By that point they're so stressed out, they're so exhausted that it's just too emotionally difficult to even get to the point where they're actually producing content and doing those very first things to build an audience, which is really where you actually start building a business.

The emotion involved with the process of going through a theory of constraints breakdown is very important to keep on top of, because what will happen is you will become emotionally drained, depressed, confused and really overwhelmed, so you need to be prepared to deal with that on a personal level.

That's one of the things where the theory of constraints can help you, because ideally it can take away a lot of the emotional issues, if you allow it to. If you don't allow the prospect of all these problems surfacing to get you down emotionally, you can become a very pragmatic kind of entrepreneur and just look at everything in your business as problems that need solutions, rather than weaknesses in what you personally are trying to achieve. That's when emotions can become the roadblocks.

I experienced this emotional kind of roadblock myself when I was trying to make the transition from just being a blogger who made money from advertising and affiliate marketing, to really taking the next step and become a proper six-figure blogger, someone who makes over $100,000 a year by selling my own training product.

That was an obvious step. Every person was telling me, "If you have your own product you'll make more money," and I was very clear that that was something I could do. I had an audience, I had an email list with about 5,000 subscribers, I had a blog with about 5,000 readers, and that

was a great platform that I'd just spent the last two years building, yet I wasn't really taking advantage of that and offering my audience a product that they wanted.

Amazingly enough, I even knew that they wanted my product because I was seeing responses to content on my blog about that subject. I just never went and put together something and charged money for it.

The constraint in that case wasn't anything to do with the knowledge or the skills needed to execute on product creation. I knew what it took to write an ebook and to put that into a PDF and then to find a shopping cart and sell it and charge money for it, and even doing a launch. I was quite familiar with sending some emails to tell people about my product, and having limited offers so I had triggers like scarcity, because I'd seen lots of other marketers do this already.

This was during a period when lots of those big internet marketing product launches were happening from people like Jeff Walker, Mike Filsaime, Rich Schefren, Eben Pagan and so on. These people were doing launches and I was loving what they were doing. I was learning a lot about the psychology and the process of doing a launch, so I was very familiar with that.

I was also very familiar with the different types of products that people were creating. Some people were doing really well with ebooks. Some people were doing really well with subscription sites where they were charging a monthly fee, and some people were doing really well with home-study courses where they might charge even $1,000 to $2,000 for one product, so I had all these options in front of me, too.

I did decide eventually, "Okay, I'm going to create a product," and I started the creation of an ebook on how to get traffic to your blog. I actually called it Blog Traffic School. I went and registered that domain name and I started writing out the chapters for this book.

It was about eight months later where I was only about 80% of the way through this book that I realized, "There's something stopping me from finishing this and getting it out the door. It shouldn't take me eight months to write one ebook and sell it." I could have written that ebook in one month and had it sold within two months.

I know an ebook isn't the best sort of option either, because I was seeing people doing a lot better with a home-study course or subscription site, so I had to look and see, "What are the constraints? Why is this product not getting out the door? Why am I not able to get my own product out the door?"

There was nothing tangible. There were no skills lacking. There was nothing in terms of my technical ability. I had the resources around me. It was purely an emotional constraint, and that's when I had to review what was it about me that was stopping me from doing this.

As a person who's always been looking at mindset and trying to be self-aware of my problems, I could sort of digest this down and tell you all the different reasons why I hadn't released the product yet, but to really sum it up there was only one reason. I was too afraid of doing it, mostly because I was afraid of it not working.

It's the irony of that fear – the fear of putting something out there and being afraid that no one will buy it, and therefore you never put it out there, and therefore you make no sales. It's a self-fulfilling process that makes you realize the thing you're trying to avoid, which is not having something succeed.

Once I realized that that was the problem, I was like, "Okay, this is silly. I need to get something out there." I made one simple shift in my mindset which eliminated the constraint that I had. It destroyed the fear. The shift in my mindset was, "I'm going to do this, and I'm going to do it regardless of any sort of financial- or success-based metric. I'm just going to put it out there, do the best job I can, and I don't care if I sell one copy or zero copies or 200 or 500 copies. The important thing is to have the experience of creating the product, seeing if it sells, learning through that process and building from it."

That was the goal, so when I changed my goal from needing to have what people would have a "success" to instead just having an experience, it eliminated the fear behind that. Then I was able to tap into all of the things I had learned and execute something a lot quicker than that attempt with the ebook.

Instead, I went and created a membership site. I did a product launch following the model I'd learned from all these other guys. I used a subscription-based model so I had a recurring income rather than just a one-time ebook sale, and I managed to execute the entire creation and launch within three months of this new product that actually attracted 400 members and added another $10,000 a month to my bottom line. It was an amazing shift that was only a simple mindset issue, but that was a constraint.

So you need to look at yourself. I know a lot of people when they start with the whole blogging thing face mindset constraints along those lines, like "I don't know if they'll want what I'm going to write. I don't think I'm going to build an audience. There's already other people out there who have a lot of great content on the thing that I know about, so what's the point trying to compete with them? I don't have the technical skills. I don't have the creative skills. I don't have the follow-through. I don't have the time. I don't have the money. I don't have the resources."

There's a lot of things you can tell yourself in terms of mindset that really come down to fear that will stop you in executing, and that's a constraint. It's important to acknowledge emotional constraints as much as it is to acknowledge physical or technical constraints in executing processes. In fact, I would hazard to say that they're more important, because technical

processes and skill sets are easy enough to acquire. There's plenty of resources online and people to tap into to get those things done.

You can't do that with emotional constraints because they're all about you. You have to deal with them. You can certainly get mentoring, and listening to a mindset audio like this can help you, but at the end of the day it's a decision you make personally, so you have to deal with that first and then you can go through and start.

In my experience, the theory of constraints is a wonderful tool for creating focus. It will help you focus on what you need to do today and what things are stopping you from doing those things today, be they emotional issues or tactical issues or technical issues or whatever it is. It'll set out what is today's action step that you need to execute in order to take the next step in the process, which will then be combined with all the other processes you have to execute in order to reach that goal.

It's a lovely way of creating awareness of the entire system you're building, but also allows you to focus on the micro-steps on a day-to-day basis. It helps you to basically take that one bite of the elephant. As that saying goes, "How do you eat an elephant? One bite at a time." It will show you which pieces to bite each day, and eventually you will have eaten the entire elephant, which is a strange goal for people to have, but that's an analogy that seems to be popular, so we'll use it in this mindset audio anyway.

The important point here is understanding that you know there's steps you need to take in order to execute a process. There's processes you need to complete in order to reach your goal, and this concept of the theory of constraints will break it down for you so you can identify what needs to be done today, tomorrow, the day after, and then the process will be complete.

That's pretty much all I want to talk to you about with the theory of constraints. I hope you got something out of this. I really want you to combine the theory of constraints with the 80/20 rule. If you go back and listen to that 80/20 rule audio you'll see that there are some things that you're naturally good at, and there's some things that you spend a whole lot of time doing that are a waste of time. They don't contribute to the bottom line happiness, success, wealth, or things that help you build your business, and need to be ignored. You need to find the things that you should do, and leverage your strengths when you do that in order to get a really strong result, a really leveraged result from that effort, so it's a lot more from a lot less time.

If you combine that with the theory of constraints, it allows you to take what you're good at and also what's important, and identify those things into how they can be used in a process that helps you reach your goal. That's the combination here. It's identifying the important things in your life, and then breaking it down into things to focus on on a day-by-day basis in order to solve problems, execute processes, and realize goals. That's what we're doing.

In the other audio to go along with this three-part series of concepts I'm going to talk to you about sprints or sprinting, which is just a look at the execution process of this. Obviously once you've gone through this whole theory of constraints and 80/20 rule thing, you're going to be left with some things you have to do, the things you need to execute on. The sprint concept will help you get more of that done.

What I recommend you do now is find the audio. It's in the new series for Master Your Mindset on sprints, and listen to that next. Then you'll have all three of the concepts – the 80/20 rule, the theory of constraints, and sprinting – which are really everything that I use, my most important concepts for massive productivity.

That's it from me. I hope you enjoyed this one, and I look forward to speaking to you in the next audio. My name is Yaro and I'll talk to you again soon. Good-bye.