

ESBA

SCALING YOUR PRODUCT

[illegible]

My number one takeaway from this video

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SCALING WITH PRODUCTS

Breaking away from being a technician and becoming an entrepreneur *with a sustainable, scalable business model* is not easy. Three major components of this transition include systems and processes for:

1. **People:** Talent acquisition and retention
2. **Product:** A quality product
3. **Processes:** Systems and processes, including financial management and evaluation

In this download, you'll learn **how to scale your business with products**.

THE SCIENTIFIC METHOD

By junior high school, you probably learned about the scientific method, which is the process scientists use to determine the validity of something. This process says that something must be repeatable and produce the same outcome in order to be valid.

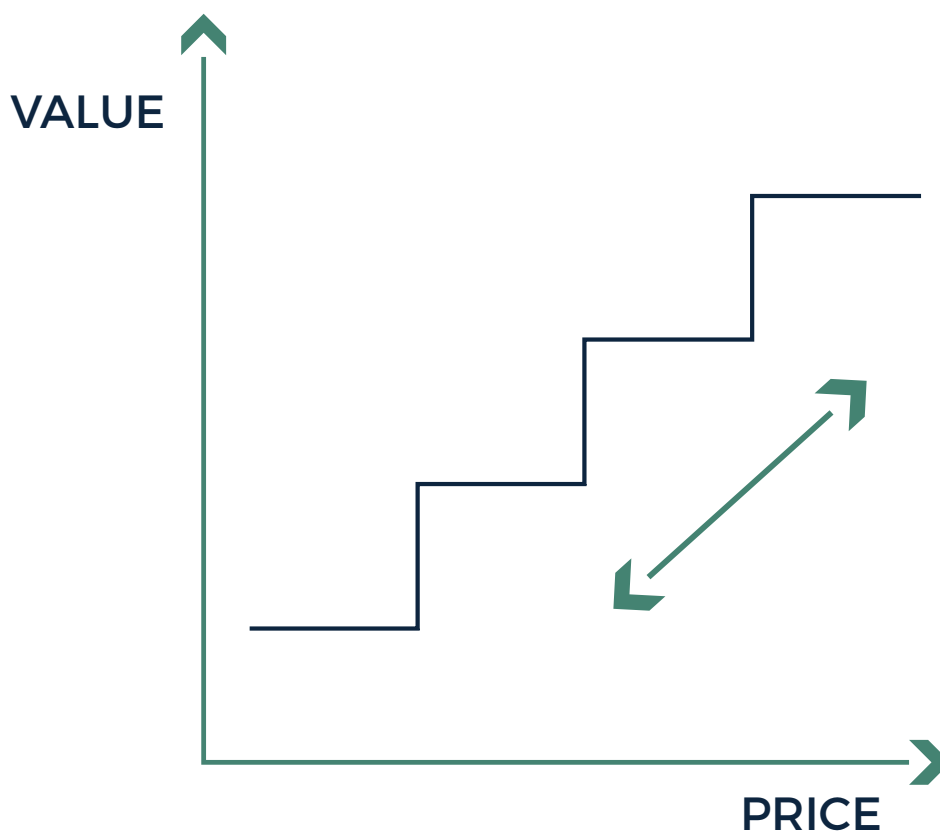
The same is true for your business. One component of success is your ability to reproduce the same product and the same experience while using the same process as you scale and grow your business. Otherwise setting standards is difficult and can set you up for failure instead of success.

One way you map out the process for your business is through a value ladder.

FOLLOW THE VALUE LADDER

The value ladder is the process you use to move the customer from up the ladder from first introduction (also called a 'cold market' or top-of-the-funnel) to raving loyal fan (also called a 'hot lead' or bottom-of-the-funnel). This is done while simultaneously moving them from lower-priced products that have less value toward higher-priced, higher-valued pay-to-play opportunities. A well-planned value ladder¹ (with solid sales funnels) will give you direction for 'what's next' and where you're driving relationship and traffic to with your sales. Simply stated: it's a visual map for bringing people who are new to you to being in business relationship with you.

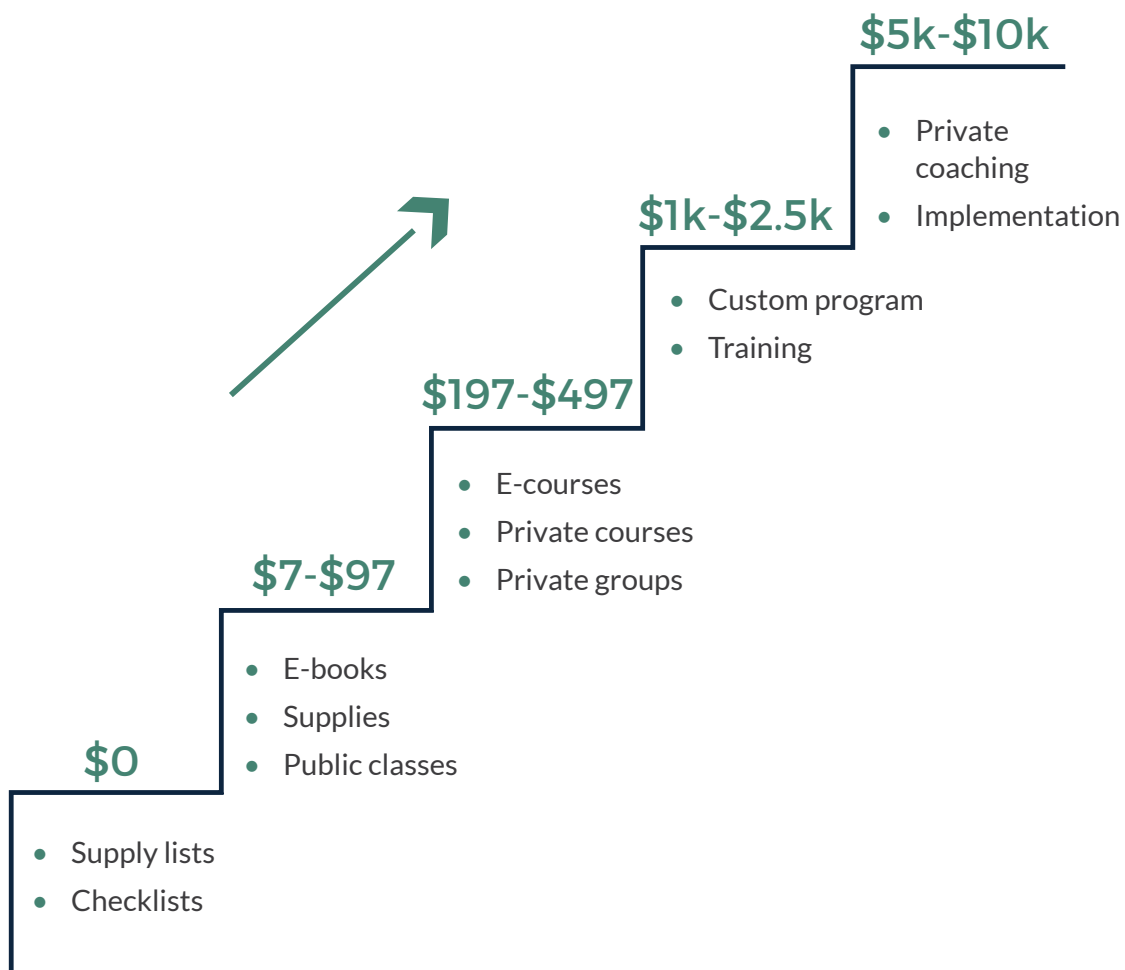
THE VALUE LADDER



¹ A concept made popular in [this book](#).

The purpose of the value ladder is to help you visualize what you do or can offer clients that demands the least to the greatest of your time. This allows you to increase your time value in dollars.

You can see how creating a one-time product in an hour's time, that can be offered repeatedly for free, moves a client up the ladder, eventually allowing your time value to increase from time-in-hours to \$10k / day.



CANDLE SHOP SAMPLE VALUE LADDER

The free products allow potential customers to evaluate the quality of product you produce, your 'teaching style' (i.e., how you communicate ideas) and their commitment to the process. After all, a non-engaged consumer is earning you negative equity as housing their information as a subscriber costs you money.

Stop trading your time for dollars

There are many versions ² of this story about the value of expertise. The story exemplifies perfectly the purpose of the value ladder:

The Graybeard engineer retired and a few weeks later the Big Machine broke down, which was essential to the company's revenue. The Manager couldn't get the machine to work again so the company called in Graybeard as an independent consultant.

Graybeard agrees. He walks into the factory, takes a look at the Big Machine, grabs a sledge hammer, and whacks the machine once whereupon the machine starts right up. Graybeard leaves and the company is making money again.

The next day Manager receives a bill from Graybeard for \$5,000. Manager is furious at the price and refuses to pay. Graybeard assures him that it's a fair price. Manager retorts that if it's a fair price Graybeard won't mind itemizing the bill. Graybeard agrees that this is a fair request and complies.

The new, itemized bill reads...

Hammer: \$5

Knowing where to hit the machine with hammer: \$4995

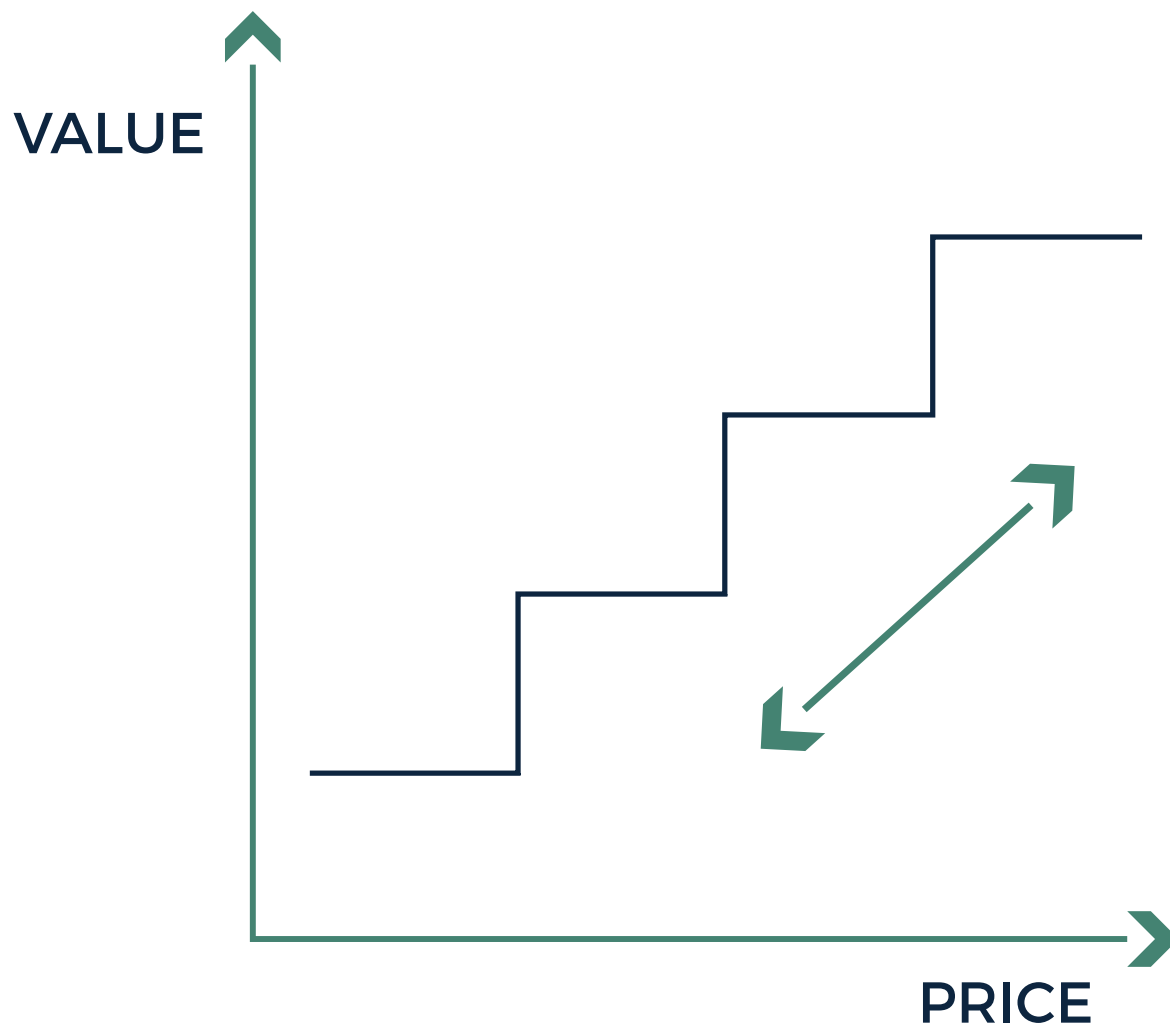
The moral of the story: When you can move away from the trade of time-for-dollars in exchange for getting paid for the results you produce, you've mastered the value ladder.

In your own business, a value ladder can also help you decide what policies, procedures and guidelines you should have in your business and specifically serving your products.

² This particular one was retrieved from [here](#).

Now, fill in your own value ladder here for you product:


THE VALUE LADDER



PRODUCT CHARACTERISTICS AND DELIVERABLES

Each product is as unique as the creator and the consumer. Here are some standard considerations you should explore around each product developed before you go to market:


Product purpose (e.g., is it for single use, multi-use, unlimited, income-producing, redistribution)



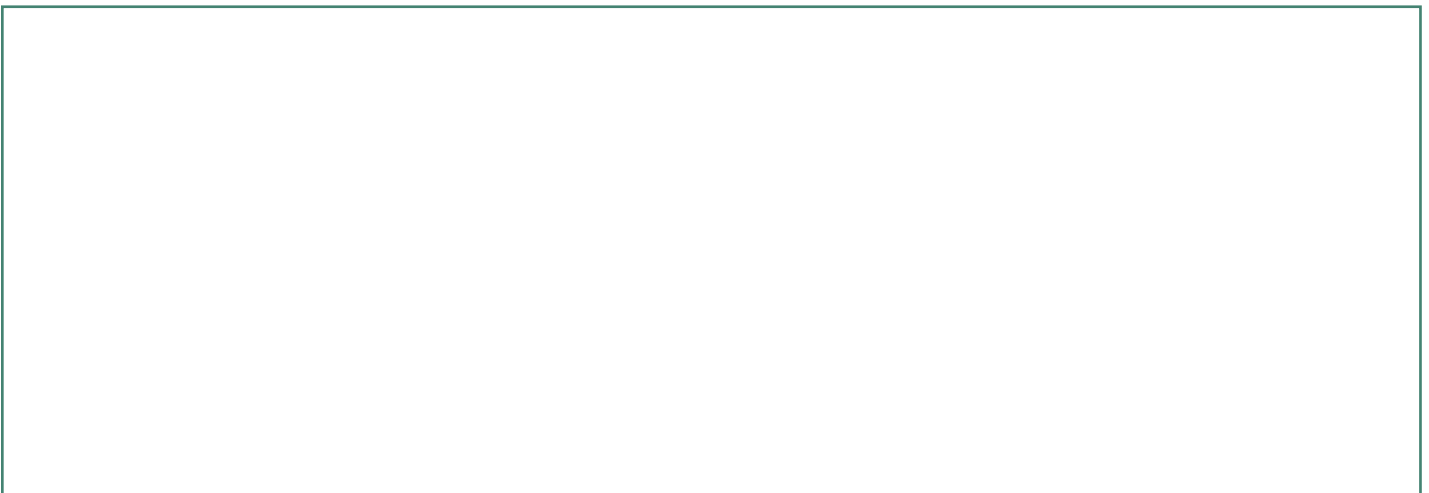
Product use license (e.g., business or personal, redistribution)



Product delivery (e.g., timeline, shipping, or download)

A large, empty rectangular box with a thin green border, intended for providing details about product delivery, such as timeline, shipping, or download instructions.

Product appearance (e.g., may be different than on website or in catalog)

A large, empty rectangular box with a thin green border, intended for providing details about product appearance, noting that it may differ from website or catalog images.

Product function / use / wear (e.g., specific parameters for use to return or negate warranty)

A large, empty rectangular box with a thin green border, intended for providing details about product function, use, or wear, including specific parameters for return or warranty.

Product return and refunds (Warrantied? Refundable³ ?)

SERVICE CHARACTERISTICS AND DELIVERABLES

Contract for deliverables

Disclaimers (e.g., results not guaranteed, program adherence)

Releases (e.g., photo or training)

Stipends for travel (if necessary)

Liability insurance

SCALING YOUR PRODUCT

Before you begin mass-marketing your product, do your legal homework. Take notes and create a workflow or process between you, your lawyer and your CPA, at the minimum, for product development. You will use this process checklist each time you create, validate and test a new product, both digital or physical.

³ Digital products are typically non-refundable as they're available for immediate download.

File any necessary patents or trademarks.

File necessary copyright or Intellectual Property agreements.

Form any new sub-LLC's

Set up new accounting 'books' as necessary (see download 61, "Taxes during the lean season")

Create a new single-page website around the product.

Build and nurture your email list to prepare for the new product.

Take pre-orders

Follow-up on all customer interactions

Gather client data, feedback and testimonials

Put the processes in place around:

- The product (the reason 59% of small businesses fail)

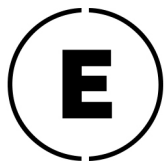
- Sales and marketing (the reason 33% fail)

- Financial and accounting. Finances are the biggest area of weakness for most businesses (44% failure rate).

- Insurance

- Risk management

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