ESBA

PUTTING THE PROCESSES IN PLACE

VIDEO NOTES

My number one takeaway from this video

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SCALING WITH PROCESSES

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 systems and processes.

PUT THE PROCESSES IN PLACE

When you sell a physical or digital product, solid market research and audience demand can keep you from spending thousands of dollars and hours creating the wrong product.

Most business owners create a business product and either a) sell only the product or b) immediately begin to create a new product without fully maximizing the sales of the first. This is crazy as most 7-figure earners make most of their money from a single product's sales[1] . Once you have the right product, it is not the time to create a follow-up or secondary product.

These 7-figure earners know the secret to monetizing their product in multiple ways, including:

- ☐ Multi-dimensional sales funnels

[1] Sara Blakely, of the SPANX© empire and the world's youngest self-made woman billionaire, says, "I'd get kicked out of buildings all day long, people would rip up my business card in my face. It's a humbling business to be in. But I knew I could sell and I knew I wanted to sell something I had created...My revenue was $4 million my first year in business, [all] off of one $20 item."

- ☐ Upsells
- ☐ Downsells
- ☐ Value ladders
- ☐ Affiliate sales
- ☐ Relationships
- ☐ Teaching and speaking on their product
- ☐ And more.

WHY does it matter that these earnings come from a single product? Because the lack of focus and failure to follow-through on a single product keeps most business people at good instead of great.

The $100k / year business

Think of your systems and processes like this: if you make $100k / year, that means you have $100k employees, $100k clients, and $100k systems and processes. If you make $700k / year, you have $700k employees, clients and systems / processes. You cannot have $100k systems and processes and earn $700k[2] .

CREATE A POLICY 'BANK'

Before you ever begin working, as you map out your business and where you want it to go, begin creating a policy bank, or at least making a list of policies you think you will need for the business you're building. Create in advance your policy needs based on your value ladder. As your business grows, you can specifically review the lists and policies as necessary to tweak and fit your specific niche or product and business model.

[2] From Steve Dulin.

Policies[3] you should consider creating in advance:

- ☐ **Customer credit policy:** This policy explains credit and payment terms, how to open new accounts, and what the criteria is for collections. This is especially important when dealing with physical products, manufacturing or third-party vendors / suppliers.
- ☐ **Employment policy:** This document should communicate to your employees or contractors your standards for job performance, hours of operation, termination rules and more.
- ☐ **Code of conduct:** What is proper conduct, misconduct, the disciplinary / warning process, performance evaluation, appeal and reinstatement or rehire process? How will you deal with personal issues that affect job performance, such as substance abuse?
- ☐ **Ethics policy:** Explains how you deal with things from an ethical perspective (which creates trust in and outside of your organization), handle client and employee privacy, and deal with customer information security. It also communicates what would constitute a conflict of interest.
- ☐ **Internet and email policy:** This policy should cover acceptable internet use, social media policy, use of third-party software, computer and software updates, technical support and more.
- ☐ **Purchasing policy:** Protect your company by designating who has what purchasing authority as an employee in your company.

PROCEDURES AND SYSTEMS

Here are some systems and processes you need in place to effectively lead people in your organization.

[3] Here are 19 free policy and procedure templates to get you started.
[4] Be sure to have your lawyer review each policy as it pertains to your business.

Hiring procedures

Who and how you hire someone to work in your business is one of the most strategic processes you should map out and carefully consider. Ask yourself the following questions:

- Why am I looking to hire someone?

- What actions and responsibilities do I want them to complete?

- Would their hiring replace anything I am currently doing? Would it ease my workload and free me up to do other work?

- Who will they work with for supervision (consider both their upper level supervisor and lower-level interactions, such as clients)?

- What skill sets do they need to work with each group (i.e. of upstream providers and downstream users)?

- What is the marketplace salary for this role and what will I be paying them? Does my CPA verify I can afford this expense?

- What is the expected growth and maturity of this role with proper training and experience?

- What are the performance indicators of the role?

Next you need to map out the role description:

Role

Description

Responsibilities

Competencies

Skill requirements

The letter of the role (what is technically required)

The spirit of the role (what you'd like to see offered in a spirit of excellence)

Expected outcomes

Performance timeline (e.g., 1, 3 and 6 months, 1 year, etc.)

Global Fútbol Training (GFT), LLC example

When someone wants to work for GFT, they're never hired without a trial period first. All training staff and support staff go through a 3, 6 or 12 month probationary period. Depending on their role for hire, they may receive no financial compensation from GFT. On occasion, high school and collegiate athletes may work a camp for GFT to gain experience as a trainer. For those occasions, they often receive a de minimus benefit, such as a gift card to a restaurant or movie theatre.

GFT trainers

For those who will train for GFT, they receive compensation from day 1 on a trial rate and as a 1099 contractor. GFT has had both employee trainers and contract trainers. Speak with your CPA and lawyer to determine which type of employer you are.

GFT trainer applicant process:

- ☐ Initial phone interview
- ☐ Playing and work resume
- ☐ Background check (including a National Sex Offender Registry Search as GFT trainers work with minor children)
- ☐ In-person interview with Jeremie
- ☐ Skill set evaluation / ball control ability
- ☐ Performance evaluation by Jeremie (where temperament is evaluated)
- ☐ Non-compete agreement
- ☐ Banking information

After the probationary period:

Trainers are eligible for affiliate income sales on any products their athletes purchase. They're also eligible for compensation increase.

The GFT marketing team hiring process

To work on the digital side of GFT, the process is longer.

1. The role description and competencies are written and posted (typically the best candidates come through referral, LinkedIn, or third-party services)
2. Application: Open-ended and scenario-based questions are both used. Taking the time to complete an application is often where people give up. It's a simple assignment that they often abandon.
3. Reference checks: If the references do not check out, the application process is over. Many business owners fail to do this most simple of tasks that would save them thousands of dollars in onboarding costs.
4. Personality and profile testing: If the applicant seems to be a good fit and their references check out, exams such as the StrengthsFinders, 16personalities and the KOLBE test are all administered at GFT's cost.
5. First personnel interview: The individual responsible for supervising or working closely with the applicant, if hired, conducts a brief interview and provides the outline for the test project.
6. Test project: Each applicant is required to complete a test project for their role. The applicant can ask any questions but is not provided resources. This allows demonstration of their go-to resources, mastery of software or programs, time management, role hunger and financial responsibility, among other things.
7. Work day: The applicant is invited to spend a day working with staff in person. A morning group interview with administration (i.e., the COO and CMO) is typically followed by collaboration or brainstorming on a group project with a team. The applicant is evaluated based on time management, interactions and interpersonal skills. Pre-lunch and on is spent with the owners (Jeremie and Abbie) in both an informal and formal interview setting. The structure is as such for several reasons:
    a. Character shows over time, not over lunch.
    b. Saving an interview with the owners for last is not only time-efficient but it vets many applicants before this stage.
    c. This allows the owner's strengths to also be at work by saving introduction to this stage.

When you hire

The IRS requires you to file a 1099 for any person who earned more than $600 from you per calendar year. So a best practice is to go ahead and collect any new hire's full legal name, social security or EIN number and physical location mailing address. Your CPA can help you prepare this paperwork but many of the recommended software services in the tax download will help you with this as well.

GFT trainer payments

Payments are made at a lower hourly rate initially and then scaled up based on performance. As the trainer demonstrates the ability to handle their schedule well (e.g., no client complaints for late or no-shows, mis-scheduling, etc.) for individual or small-group training, they're eligible for a sliding scale compensation based on the group size they're handling. Here is the average salary of a GFT contract trainer:

Private individual lesson $30 / hour

Private group training $35 / hour

Open group training $30 / hour

Team training $50 / hour

Camps $20 / hour

The sliding scale was implemented because products that cost more require more work from the trainer. You want to eliminate any lines or standing around and to keep the level of training quality high. This requires higher compensation.

Most trainers must work their way up in terms of ability to produce results in a training session with individual sessions and elite players, in spite of having their own area of specialization or skill set

Map out your hiring process below, using an email sequence for onboarding. You can include webinars and in-person meetups as well as online performance tests.

Training

You can train your staff to be more efficient in their work. To avoid doing so is to choose to increase your risk of loss of work, time and staff. Training should be done to increase competency, which, in turn, produces job satisfaction. To not train is to refuse to sharpen your company's axe.

> *A woodcutter, Tom, worked for a timber company for five years but was never given a raise. The timber company then hired another man, Jack, and within a year Jack was given a raise. Tom resented Jack for being given a raise after only a year and went to his boss to complain about it.*
>
> *The boss said, "You are still cutting the same number of trees you were cutting five years ago. We are a results-oriented company and would be happy to give you a raise if your productivity goes up." The woodcutter worked harder and put in longer hours but was still not able to cut more trees. He went back to his boss and told him of his difficulty. The boss said, "Maybe there is something Jack knows that you and I don't."*
>
> *Tom went to Jack and asked how he managed to cut so many trees. Jack answered, "After every tree I cut, I take a break for two minutes and sharpen my axe."*

Moral of the story: Take time to evaluate and make sure that the tools you are using are sharp!

Training does not have to come solely from you but you can highlight and encourage the strengths of your staff by their conducting the teaching. This can be done through in-house podcasts, ecourses, webinars or in-person meetups.

Outsourcing

In the beginning, most of the digital work for GFT was done by third-party contractors who were great at tasks but did not need to buy-in to the GFT brand vision. Some of the best resources came from people , not agencies.

As GFT grew, the service providers needed to do more technical work. The resource list expanded to include:

> Resource Agency: Belay is an all-in-one support company that uses their own standardized processes for matchmaking clients with the proper support staff. Belay sets high standards for their resource pool. Their services include virtual assistants, social media management, tech support and more.
>
> Design: DesignPickle is the in-house design agency you've always wanted. You're assigned a designer who becomes like your staff - only you don't have to pay for their benefits! Once you're at 300+ image or document requirements per month, these are your people. Plus, their flat rate fee makes budgeting a breeze.
>
> Blogging and SEO: Posts by Ghost owner Niki Robinson and her staff know how to turn your thoughts into a money-making machine. Their industry-specific, well-researched and SEO-friendly copy, written in your voice, makes growing a blog into a legitimate asset easy and stress-free.

Working with affiliates and brands

When working with any third party, it's best to have a standardized funnel for establishing context and expectations around any agreements. This includes provision of resources (e.g., graphics or swipe copy for affiliates) or how-to sections. Write out your standards of communication and expectations around the following:

- ☐ Rules of relationship
- ☐ Deliverables and timelines
- ☐ Payment agreements
- ☐ Legal contracts
- ☐ Cross-promotion expectations

[5] Examples of the work outsourced for GFT:
Custom, high-end design work: Enid Flores. If you want to see a sample of Enid's work, look no further than your current page.
Brand marketing: Ashley, the founder of Lula Marketing, was a huge resource for GFT. As her own business and reputation has grown, so has her waitlist but she continues to work with the Jeremie Piette brands.
Research: Shannon Geddes is well-known to the rodeo world. She's a regular writer for Rodeo Fame Magazine. Shannon is great at copywriting and article research.

- ☐ Graphics standards and responsibility
- ☐ Branding for co-promotions
- ☐ Email communications and sequences, content expectations
- ☐ Data and sales tracking
- ☐ Policies and procedures

Now, order these sequentially in an email funnel, paying attention to flow and tone:

Customer service

Customer service, responding to and taking care of customer needs, is so important that groups such as Facebook and Google score your business based on response time and customer reviews / feedback. You cannot assume that customer service is easy or simple. When things are going great and customers are buying your product, it's easy to be nice to the customer. But what about when things are tough? Not going great?

Historically, if someone had a problem with a product or business person, they would go to that person and ask for the situation to be corrected. Today's technology and lowered emotional thresholds have made for a tough customer service landscape. If someone even thinks you're going to give them a response they don't like, they whip out their cell phones to record the interaction (in hospitals, at police stops or in the grocery store), they screenshot your response to their texts or they blast you on social media.

Intent does not negate impact

Choose carefully and in advance how you'll deal with angry or irate customers. Don't fall for any bias traps they might introduce in their frustration. When emotional, other issues someone is experiencing may surface. It's important that you are prepared for and can distinguish your response to the issues relevant to you and your situation.

Use this checklist as a guideline for creating your own policies and trainings:

- ☐ **Issue:** What is the issue the customer is upset about as it *specifically relates to your product or service?*
- ☐ **Tone:** Smile before you respond. Keep a neutral and calm tone, both in person or via email.
- ☐ **Time:** Consider your response time. A 24 hour response time by email is reasonable (unless it's a weekend inquiry).
- ☐ **Language (written, verbal and body):** Use proper language and have someone read a written response before you send it. Take a few hours if necessary. Use professional and non-incendiary language. Use neutral body language.
- ☐ **Refunds and cancellations[6] :** Process refunds quickly. If you must deal with the return of a physical product, include in your policies and procedures what turnaround and

processing time will be *once the product is received back in-house* and what will be deducted from the return, if any, for processing, shipping or handling.

- ☐ **Difficult clients:** How many times will you work to resolve an issue? What steps will you take to make the experience right[7] ? Keep in mind that sometimes a client may be difficult in the moment but can turn into one of your highest referrers and loudest fans.
- ☐ **Dealing with bad reviews:** Just one bad Google review can diminish 500 5-star reviews. Keep in mind that you can respond to negative reviews with clients publically but evaluate if it's best for you to do so. If you feel you must represent your 'side' of events in response to a bad review, do so with class. Getting Google or other third-parties to remove a negative review is time-consuming and rarely do you accomplish your goal of removal.
- ☐ **Handling negative feedback:** You have two options with negative feedback or negative reviews - you can dismiss them as grumpy clients or you can evaluate them for any truth and apply it to your process to make it better.

You can see how taking the time to think through and document these scenarios gives you a standard to adhere to, to use in decision-making, and to help hold others accountable.

How to win friends and influence people

The number one statement people say will appease their negative emotional response to a situation or experience? Acknowledgment that they've been *heard*. Not listened to but heard. Thoughtfully consider their perspective as a business owner. Then, show them you've heard them.

- Send a personal email
- Write a personal, hand-written note
- Send a thank-you gift (not a coupon for their next purchase)
- Give them access to the upgraded version of their purchase
- Mail them a physical or virtual gift-card for coffee or the movies[8]

[6] For digital products, refunds typically still allow access to the digital product whereas cancellations remove all access to the product or service.
[7] This is a great conversation to have with your CPA regarding taxes on products or services that you had to 'eat the cost' on in order to make it right with the customer.
[8] The gift doesn't have to be expensive to make people feel appreciated and valued.

Write out your responses and policy and training plans for each scenario:

- ☐ Potential issue

- ☐ My personal, company and employee tone

- ☐ My response time[9]

[9] You can place a simple disclosure at the bottom of each email that reminds people of your standard email response times.

- [ ] What kind of language is standard to me, the company and the staff

- [ ] My policies around refunds and cancellations

- [ ] When dealing with difficult clients, we will / strive to

☐ When someone leaves a bad review

☐ Handling negative feedback

LEVERAGE TECHNOLOGY

Document your processes. This will help you create a policy & procedure guide for each area necessary. This is done with an Operations Manual. The Operations Manual allows you to have consistency in performance. It allows you to scale while keeping your mission and vision in front of those who can't meet you in person. **This is where technology can really be a benefit.**

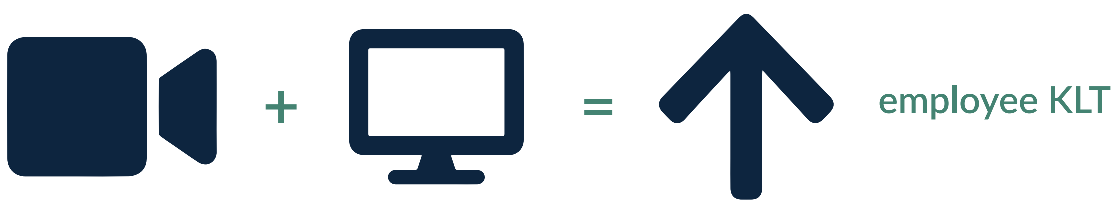
Case study

Consider that your GM hired a new employee. You've never met the employee as they're in another state. Most companies would bring employees in for a several-day, long orientation of sleep-inducing policy review. Or they would hand over a 14-page policy, ask you to sign that you've read / understood / agreed to the contents.

Would you read an employee manual or handbook? Last Christmas, when someone gave you the gadget you'd been waiting for, did you open the box carefully and read the manual first? No - you ripped open the gift and started using it / messing with it, referring only to the manual when you needed it, if ever.

Create a process for your new employees

Your process should build on the KLT[10] factor, creating buy-in from your new employees - after all, they're selling the vision to customers for you. So how do you do this?



1. Create a video once, with your passion, enthusiasm and personal style.
2. Communicate your mission, vision and values.
3. Capture the data of how long your client watched the video[11] and capture an electronic signature[12] .

Do you see how you just took one of the most tedious components of business and used it as an opportunity to create relationship, all while educating the individual, streamlining the process and the content and protecting yourself legally?

[10] KLT: Know, Like & Trust. You should always strive to help others know you and your vision, like you and your vision & trust you and your vision.
[11] You can withhold the option to move forward, skip or just signing during a video presentation with software such as PlusThis. This software can be used for employees, webinars, sales pages & more! Click here for 15% off your purchase.
[12] Verify with your legal provider if an electronic signature will suffice for your particular industry or if you also need a physical signature. Rare but necessary in certain industries, such as patient consent forms in healthcare.

Special policy clauses and considerations

You may have the occasion where a purchaser doesn't pay their bill. You have a few options before turning them over to collections.

1. Do not deliver the product until payment has been received.
2. Place a special clause regarding custom work that says payments not made or resulting in collections or legal work will incur the accumulated additional debt from said services (speak with your lawyer about this).
3. Do not let accounts fall behind on payment. Understand your industry's standard for payment days. For example, some industries typically work with 30 day invoices, others work with same-day-payments.

Another special policy to consider is when you sell a product with someone else, much like an affiliate relationship. Specifications should be made about who handles the processing, how transparency in the process is facilitated and how and when payments are issued.

Lawsuits

May there never be a day where you must deal with a lawsuit being brought against you! But what if you must take a client to court? Each industry has specific requirements regarding standard, *reasonable* practice as well as rights to receive monies owed. Speak to your lawyer about what components should be documented in your own policies should you ever have to take a client to court for non-payment and then automate that process.