# LADDERING UP: How to build a seven-figure business by building a 7Kper month business first

## Intro to Laddering Up

- Key: start w/something small and build
  - Don't look at the business you want to build; look at the business you can start TODAY
  - Do take one ladder rung at a time which allows for an expanded vision, which in turn leads to bigger and greater things
- Examples of companies leveraging Laddering up:
  - Netflix: DVDs → streaming → production company
  - Apple: MP3 player → iPod → iPhone
  - Leadpages: blog → selling → consulting→ plugins → Leadpages→ Drip
  - Pat Flynn: Smart Passive Income → software → public speaking → books

## Rung One
## Create a Minimum Viable Audience (MVA)

- Goal: 2,000 email subscribers in the first 3 - 6 months
- Purpose: understanding what makes the market tick (become obsessed with the ideas, concepts, phrasing, formatting and presentation of ideas to a specific audience in a way that gets them to subscribe)
- Keys to hitting your goal:
  - **Start by building an audience, not creating a product (your interaction with your audience will dictate the product you create)**
  - **Identify your passion instead of wasting time on market research**
  - **Pay attention to which ideas and concepts are taking hold with your audience (comments, shares, click-throughs, etc) and how they're responding to your calls action (if you can't get 2,000 people to follow your blog, you won't get them to buy your product)**
  - **Set a goal of three subscribers per day versus getting distracted by monetization**
  - **Respond to everything**
  - **Focus on the quality of the lead not the quantity (connect with potential buyers; don't just collect email addresses)**
  - **Don't overestimate how hard it is to get someone to subscribe to your list**

## Rung Two:
## Create a Product and Start Selling

- Goal: 6 figure annualized revenue in 12 months (by month 15)
- Purpose: leveraging the market knowledge gained in Rung One to monetize your audience while continuing to serve them
- Keys to hitting your goal:
  - Follow 'The Rule of Five Ones' - keep things MANAGEABLE with a combination one of each of the following:
    - Create one product/offer (recommended: webinars; also software, membership site, coaching program, or shipped physical product)
      - **Create a product you'd go to bat for, one that you feel really comfortable with**
      - **Create an offer around the product: (what is the guarantee? The payment plan? Bonuses? Price point?)**
    - Create one conversion mechanism that you can tell the world about (sales pages, launches, sales videos, webinars, etc - what you personally buy from)
    - Create one traffic source, that reliable buys via your conversion process (SEO, partnerships, pay per click - choose one that is authentic to you)
  - Get comfortable selling by realizing:
    - If you are serving, versus monetizing your audience, you are delivering enormous value
    - If you are serving your market, your audience will buy from you because they realize you know a better way/have a better product
  - Maintain your focus with "The Five Commandments':
    - Thou shalt have only one business
    - Thou shalt have only one offer
    - Thou shalt not spend more than one day per month creating products after your launch (focus on selling, not refining for the 20th time)
    - Thou shalt not spend more than one day per month on content marketing unless content marketing is your one traffic source (see The Rule of Five Ones)
    - Thou shalt find beauty in depth rather than breadth
      - Wrong: taking a Pinterest marketing course, an SEO mkt course and a pay-per-click marketing course because you think you have a traffic problem
      - Right: go deep learning the nuances of how to create results

## Rung Three: Scale

- Goal: 7 figures in the next 12 months
- Self check: Are you ready for the rung three?
  - If not, keep up the maintenance work; be sure to invest in what's working
  - Realize that if you don't want to make it bigger, it's probably going to get smaller
- Purpose: doubling down on the things that have worked
- Keys to success at Rung Three:
  - Follow 'The Rule of Three Twos' (the same funnel as The Rule of Five Ones - you're just adding another step):
    - Expand to two products: the first product + an upsell on the first product
      - Second product should only be made available for purchase after purchase of the first product
      - Second product should be from five to 10x more expensive than the first product (ie: membership site for $50 per month with a $2,000 coaching upsell offer)
    - Expand to two traffic sources (parlay your mastery of content marketing and expand that into partnerships or a JV program)
    - Expand to two conversion mechanisms (if you're selling product via a sales page, expand to a webinar, or to salespeople who close deals over the phone)
  - Examples:
    - Rung 2 = email sequence; Rung 3 add forking logic and workflows with an integration like Drip.co
    - Rung 2 = webinar; Rung 3 add automated webinars
  - Take your automation to the next level
  - Tweak traffic and conversion rates with testing (ie: A/B split testing w/Google analytics)
  - Maintain your passion, persistence and obsession

## Parting Thoughts

- Remember the initial relationship you build with your audience off 2,000 - your ability to solve their problem with your unique approach and unique personal brand will differentiate you and your product in a crowded space
- By developing your resources and gaining an understanding of your market, you'll be able to afford to spend more on product R&D, and make more money because there are fewer participants who can compete with you
- Don't forget Laddering up is a movement from low cost product creation to high cost product creation
- Do maintain your confidence and your lifestyle; do not get distracted, let off the gas or spend your profit
- Get Started!