Laddering Up: how to build a seven-figure business by building a 7K per month business first

A. Intro Laddering Up

1. Starting with something small and then building on that - or laddering up - is key:
    a. Don't look at the business you want to build; instead look at the business you can start TODAY, then plot a course
    b. Do take one ladder rung at a time which allows for an expanded vision, which in turn leads to bigger and greater things

2. Examples of companies leveraging Laddering up:
    a. Netflix: DVDs → streaming → production company
    b. Apple: MP3 player → iPod → iPhone
    c. Leadpages: blog → selling → consulting→ plugins → Leadpages→ Drip
    d. Pat Flynn: Smart Passive Income → software → public speaking → books

B. Laddering Up - The Three Rungs:

1. Rung One - Create a Minimum Viable Audience (MVA)

a. Goal: 2,000 email subscribers in the first 3 - 6 months

b. 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)

c. Keys to hitting your goal:
    1. Start by building an audience, not creating a product (your interaction with your audience will dictate the product you create)
    2. Identify your passion instead of wasting time on market research
    3. 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 TO action (if you can't get 2,000 people to follow your blog, you won't get them to buy your product)
    4. Set a goal of three subscribers per day versus getting distracted by monetization
    5. Respond to everything
    6. Focus on the quality of the lead not the quantity (connect with potential buyers; don't just collect email addresses)
    7. Don't overestimate how hard it is to get someone to subscribe to your list

2. Rung Two - Create a Product and Start Selling

a. Goal: 6 figure annualized revenue in 12 months (by month 15)

b. Purpose: leveraging the market knowledge gained in Rung One to monetize your audience while continuing to serve them

c. Keys to hitting your goal:
    1. Follow 'The Rule of Five Ones' - keep things MANAGEABLE with a combination <u>one</u> of each of the following:

a. Create <u>one</u> product/offer (recommended: webinars; also software, membership site, coaching program, shipped physical product)
    i. Create a product you'd go to bat for, one that you feel really comfortable with
    ii. Create an offer around the product: (what is the guarantee? The payment plan? Bonuses? Price point?)
b. Create <u>one</u> conversion mechanism that you can tell the world about (sales pages, launches, sales videos, webinars, etc - what you personally buy from)
c. Create <u>one</u> traffic source, that reliable buys via your conversion process (SEO, partnerships, pay per click - choose one that is authentic to you)

2. Get comfortable selling by realizing:
    a. If you are serving, versus monetizing your audience, you are delivering enormous value
    b. If you are serving your market, your audience will buy from you because they realize *you know a better way/have a better product*

3. Maintain your focus with ''The Five Commandments':
    a. Thou shalt have only one business
    b. Thou shalt have only one offer
    c. Thou shalt not spend more than one day per month creating products after your launch (focus on selling, not refining for the 20th time)
    d. 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)
    e. Thou shalt find beauty in depth rather than breadth
        i. 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
        ii. Right: go deep learning the nuances of how to create results

3. Rung Three - Scale

a. Goal: 7 figures in the next 12 months

b. Self check: Are you ready for the rung three?
    1. If not, keep up the maintenance work; be sure to invest in what's working
    2. Realize that if you don't want to make it bigger, it's probably going to get smaller

c. Purpose: doubling down on the things that have worked

d. Keys to success at Rung Three:
    1. Follow 'The Rule of Three Twos' (the same funnel as The Rule of Five Ones - you're just adding another step):
        a. Expand to <u>two</u> products: the first product + an upsell on the first product
            i. Second product should only be made available for purchase after purchase of the first product

        ii. 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)
    b. Expand to two traffic sources (parlay your mastery of content marketing and expand that into partnerships or a JV program)
    c. 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)
2. Take your automation to the next level
    a. Examples:
        i. Rung 2 = email sequence; Rung 3 add forking logic and workflows with an integration like Drip.co
        ii. Rung 2 = webinar; Rung 3 add automated webinars
3. Tweak traffic and conversion rates with testing (ie: A/B split testing w/Google analytics)
4. Maintain your passion, persistence and obsession

C. Parting thoughts

1. Don't forget Laddering up is a movement from low cost product creation to high cost product creation
    a. 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
    b. 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

2. Do maintain your confidence and your lifestyle; do not get distracted, let off the gas or spend your profit

3. Get Started!