Verizon

Adopting a new growth mindset for your small business

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PRESENTATION

Chris Serico

Hi, in Chris Serico with Verizon. Thanks for joining our Small Business Webinar Series. Now, with every webinar, we bring you the latest insights for finding success for your small business by hosting industry experts who want to share innovative and inspiring ideas.

Speaking of industry experts, we’re thrilled to welcome back Ramon Ray as our host today. Now, Ramon is a dynamic speaker, entrepreneur, and author, as well as the Founder of Smart Hustle Media, and our special guest today is Dr Sabrina Starling, who is known as The Business Psychologist. And throughout her career, she has worked with small business to help them hire top talent and create new possibilities. Today, Dr Starling will discuss how your small business can reimagine growth strategies and start building extraordinary teams.

So, let’s get this webinar underway. Here now are Ramon Ray and Dr Sabrina Starling.

Ramon Ray

Again, thank you for that warm introduction. I’m so excited to be here. As you said, Ramon Ray, so excited to work with Verizon on this amazing Verizon Small Business Webinar Series. It’s been so good and I don’t know if I say this every time, Dr Sabrina, but I think this one is going to be the best ever, so Dr Sabrina, thanks for joining us.

Dr Sabrina Starling

Thank you, Ramon, this is so exciting and I’m really honored to be here and having the opportunity to talk with so many small businessowners today about this very important topic that we’ve got in front of us.

Ramon Ray

Absolutely. And again, to remind everybody, Dr Sabrina and I are going to talk for about 20 minutes give or take, I have some questions I want to ask her to get her insights and wisdom, but more importantly as some of you who are alumni of this series know, this is about you, so we want you to fill that chat, fill that questions with questions you may have about your business, make it as personal as you want so Dr Sabrina can answer those questions. And again, we have some hand-outs, at least one I believe, so if you look below where you’re watching this, you can see that in the Attachments, I think there’s a survey there too, so we want you to be very engaged, but this is for you.

Again, my name is Ramon Ray, you can find out about me at www.ramonray.com.

So, Dr Sabrina, lets dive right into it and I think one thing I know I’ve experienced, and I know your work with entrepreneurs covers this quite a bit, is the aspect of entrepreneurial burnout. It’s a real thing for those who haven’t felt it. And I think one thing you often say is that work should support our life, our life shouldn’t support our work, but sometimes as small businessowners, we get that mixed up. What’s that about? Why is that so important to you? And any thoughts for how we can alleviate that?

Dr Sabrina Starling
Absolutely, this is critical for me and there's so many entrepreneurs out there, when I throw out the term "entrepreneurial burnout", I immediately see this look of recognition, like oh my gosh, others a label for what I experience. And so, I just want to normalize that right off the bat for our viewers. If that is your experience, know that you are not alone. And I've been working with entrepreneurs now for 17 or 18 years and I'm very passionate about this. For me, it's not because I grew up in an entrepreneurial family, its more because I grew up in a family scarred by the legacy of entrepreneurship and what that means is my father worked almost round the clock, and he's not an entrepreneur. He would come home from work, he would sit down with us, eat a fast meal at the table, rush out and go do more work. And my mom would explain, she said, when your dad was a kid, he never sat down for meals, they ate out of the concession stand, they never had meals as a family.

And he grew up in the drive-in movie theater setting. My grandfather was an entrepreneur, he started multiple drive-in movie theatres across West Texas, and that lifestyle of always working, and the business driving everything is the legacy my father grew up with and that's what he brought into our household, and so I saw firsthand what entrepreneurship, even though it's a wonderful – and we entrepreneurs do great things in our society – the impact that entrepreneurship has on us, personally, is something very serious and we have to really look at it.

So, my big question is, is our business supporting our life or is it the other way around? And I think what we need to look at is how our businesses are impacting the quality of our lives.

Just to throw out some research to give you a sense of what's really going on with entrepreneurs right now, 45% of entrepreneurs report just a steady state of benign levels of stress. Yes, that's almost half. And then 34% of us report that we worry a lot. When we start looking at what's going on currently with entrepreneurs, Verizon just did a survey of small business owners and 55% of those small business owners say that they are worried about their business' ability to survive right now, just because of social distancing limiting capacity in businesses and the impact that's going to have on revenue and profitability.

So, there's great stress out there right now for entrepreneurs that's being added onto what is already challenging about being an entrepreneur. And when we start looking at the mental health of entrepreneurs... by the way, right now, this month is Emotional Wellness Month, so there's a big spotlight on emotional wellness and I want to really shine that spotlight on what that is for us as entrepreneurs. The rate of depression among entrepreneurs are more than double that in the general population. We see addiction at three times the rate of the general population. The divorce rate among entrepreneurs is 5-10 times that of the general population. So, I, as a business psychologist, have been studying, in the last year and a half, what sets us up, as entrepreneurs, to have these challenges with our mental wellbeing, and it really is that being in business is tough. This is a marathon, it's not a spring. We need to be prepared for the long haul. And as I survey small business owners, one of the things I'm finding is that we, on average, are working 72 hours a week, we–

Ramon Ray

Could you talk to me, Dr Sabrina, about that?

Dr Sabrina Starling

Is that your experience, Ramon?

Ramon Ray

Go ahead, continue.

Dr Sabrina Starling

This is real. We are not sleeping well at night. 76% of us find it hard to switch off and not think about the business. 57% of us feel as though it takes increasing effort to accomplish the simple tasks. And 75% of us are reporting that our moods fluctuate based on how the
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business is doing. So, this is a real – it’s a rollercoaster and we need to be prepared for the long haul. And what we’re talking about today is mind-set, because our mind-set is what’s going to help us not just survive, but thrive.

Ramon Ray

I love it, and I think that what you said is so important. A couple of years ago, I was in my car, Dr Sabrina, and I gave a little video about entrepreneurial depression. I was tired of having this aura – we see Shark Tank and other great things, and everybody was a success, Ramon, Dr Sabrina, and I talked about some depression I was feeling, not clinically per se I want to be careful of that, but just what I called it, and it was the amazing the outpouring of support that, Ramon, you’re not alone, we’re feeling this. And I gave a talk at South by Southwest about it, so I think that many in this chat… and I’m curious, if you’re listening to us today and you’re feeling burnout and you can identify with what we’re saying, if you don’t mind, can you type “burnout” in the chat. I’m curious to see, Dr Sabrina, if it’s just you and I talking about this and nobody else feels it, or do other people feel it.

So, this has been great. We have a few more things I want to cover, definitely remind everybody, put your questions for Dr Sabrina in the chat.

Dr Sabrina Starling

So, what we have seen is it is absolutely possible to build a business that sustains your life, that gives you your life back and not only is it a life sustaining business, it’s a highly profitable business. So, our Tap the Potential Solution are the strategies and systems to put in place in the business to make that happen. And so, I know as entrepreneurs, as we are challenged right now with just the day-to-day stress, it’s really hard to reimagine our business and imagine that we could have a business that supports our life, that allows us to have time off, that allows us to be profitable, that these five strategies and systems come together in a solution that allows that to happen.

So, the very first one is to make your business that it is sustainability profitable, and that involves putting the profit first system in place in your business. We’ve been doing that for about six years now with a lot of our clients. Many of them came into COVID with cash reserves that have allowed them to have peace of mind even as they’ve experienced a revenue drop in their business, they know—

Ramon Ray

And Dr Sabrina, I just want to echo something right there, isn’t that powerful that people can come in... because I think that there's many... business is hard already, business is tough, when disaster punches you in the face as, Gary V says, when things go wrong, having some reserve cash is king. Please continue, but I just wanted to echo that, it’s hard enough, but if you're setup, you can go on. Please continue.

Dr Sabrina Starling

Absolutely. That’s the first step is to get the profit first system in place in your business, and then what we do is we work with our clients to identify the sweet spot of the business and really niche that business down around the sweet spot, and that’s that intersection of your top clients, your strengths, what your top clients want most from you, and the systems that you put in place around that. What is so beautiful about that, particularly in the context of COVID and losing revenue and losing business is that if you know who your top 20% of clients are, and you intentionally look at how to add value for your top 20% clients and increase the revenue from those clients by 25% in a given year, you can replace the lost revenue, 80% of your lost revenue will be replaced by that. It’s some simple math, its very
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powerful, but it allows us to run these leaner more niche down businesses, which are much more efficient and effective and sustainable long-term, not to mention it helps us get through the crisis that we have right now. So, that niching down around a really clearly defined sweet spot is the next step.

And then there’s the innovation that happens when you understand who our top clients are and what they need and want most from us. Once we have that going, then we want to turn our attention to hiring the best, which is one of my areas of expertise. And my recent book in my How to Hire the Best Series is all about, how to help entrepreneurs hire the best team members. Once you know how to get those A players on your team, the beauty of having those A players on your team is that you can have fewer people on your team and run a more profitable business, because one A player will do the work of 9-12 C-D players on your team.

So, if payroll is typically the biggest expense in our businesses, which it is and we can hire A players, pay them more to attract them, and run our businesses with fewer team members because they’re A players, that also increases our chances of being profitable. So, now we’re looking at a smaller business, a tightly defined sweet spot, a smaller team, fewer headaches from team members, because you have fewer team members, right. And the final step is we want to continue our networking to attract those A players to our team. So, it just becomes this cycle that every step supports and builds onto that business that’s sustainably profitable and allows us, entrepreneurs, to take our lives back, because when we have tight systems and great team members, we can be away from the business, we can sleep peacefully at night, we can take four-week vacations.

Ramon Ray

I’m feeling that. I want to underline some things you’ve just said, and we’ll get to the last point we have here on mine, which I think is so important to us. We’ve said get your questions ready. Some of you have been typing and chatting them in already for Dr Sabrina, and we have some guidance, which you can ask, how to innovate your team, niching down. But to repeat a few things and then we’ll go to the next one, Dr Sabrina.

This 20%, I think that’s powerful. What I’m hearing you say, sometimes we try to focus on pleasing everybody. We try to have a mindset that’s big, big, big, big, big, what I’m hearing you say in a simplified way is, as you said, go niche, go narrow, focus on the 20% and your business could explode. Yes?

Dr Sabrina Starling

It’s the 80:20 principle, so 20% of our clients are responsible for 80% of our revenue in our business. If we focus on those top 20% and serve them better and add value, we don’t have to worry about pleasing everyone. A lot of the entrepreneurial stress that we experience comes from trying to please everyone.

Ramon Ray

I love that. Then too, I want to underline this aspect of profit, profit, profit. So many times, I know I’ve gotten caught in this Dr Sabrina, oh, I brought home $20,000, but I didn’t realize that 19,000 was accounted for or 25,000 was accounted for. So, just underline that again for us, this focus on profit. I know we don’t have time for a whole session, but can you just stress the importance of profit, because am I right, Dr Sabrina, you probably work with companies that are $3 million companies and the owner is paying themselves a dollar a year. Talk about that.

Dr Sabrina Starling

Yes, so we tend to forget to pay ourselves, as entrepreneurs, we take care of everyone else first. I was just looking at some of our survey results this morning and someone filled in that they have put – they have taken money out of their home equity line of credit to make payroll. They have gone into greater and greater debt to make payroll. We forget to pay ourselves. We will do that last, so when we put the profit first system in place, what we’re doing is we are planning for profit in the business, we are planning for owners pay, and that
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takes care of our baseline needs. We have to put our oxygen masks on first as entrepreneurs, before we can take care of anybody else in our business.

Ramon Ray

I love it, and Dr Sabrina, you referenced a book. People can see that book at www.tapthepotential.com, I encourage you to go there, www.tapthepotential.com, and I know Dr Sabrina, you have an amazing assessment, which I've taken, www.tapthepotential.com/assessment, so I hope people that as well. And wait there's more, I'm going to give the Verizon audience... I'm going to buy a copy or two of your book, people who tweet out right now, start tweeting, you have to tag Verizon, tag Ramon Ray, and tag her on Twitter, Dr Sabrina, so do that and I'm going to pick a few people, two or three, I'm going to buy the books with my own profit first money and send it to you.

So, let's move on here. Third and final point, again, get your questions, those who haven't asked yet, this is the time to start asking those question, mind-set, Dr Sabrina. I think two things are important that I know you've talked about in your work is the aspect of a fixed mind-set, what is that, versus a growth mind-set. I thought, Dr Sabrina, I could just have a mind-set, but you're saying, na, na, na, there's different types of mind-set. Break that down for us.

Dr Sabrina Starling

Absolutely, so we want to be sure that we are nurturing a growth mind-set in ourselves, because 90% of our success is going to be based on our mind-set. And this comes from Carol Dweck’s work and her book Mindset, the distinction between fixed versus growth. When we operate from a fixed mind-set, we feel like our abilities are limited, that we can't do things, our circumstances are the way they are, we don't want to be honest and authentic about our reality because we don't want people to perceive weakness in us. We've tried to cover up weaknesses. And all of that stymies our growth, it stymies our potential, and if we contrast that type of mind-set, that's a very restrictive mind-set and how that feels to compare it to a growth mind-set, which is a mind-set of curiosity, it’s a believe that our abilities can strengthen, that we can learn, we can grow, and we can improve. We can be authentic and we can be real, because we can learn from each other, just like this conversation we're having right now, Ramon. You're being authentic, you've experienced depression, I've experienced sleepless nights and challenges with cash flow in my business. I'm not ashamed of that. This is real. This is what entrepreneurs experience.

Ramon Ray

And we are learning. I have my pen in hand, Dr Sabrina, I've been scribbling notes, when I look down, I’m taking notes. Please continue.

Dr Sabrina Starling

Yes, absolutely, and so we're always learning from each other. Feel a mind-set of abundance. We feel like when others are successful, we have the opportunity to support them, nurture them and learn from them and continue to grow. And so, what underlies this growth mind-set are the questions we ask ourselves. The questions we ask determine the solutions we find.

So, when we find ourselves under stress, we are very vulnerable going into a fixed mind-set and feeling like our world is getting more and more constricted and our choices are more and more limited, so we want to ask better questions. So, instead of saying, I can’t do X, Y or Z, I can't have a profitable business, I can barely pay the bills right now, what is this business about profit. Change that to, well, how can I have a profitable business? Who can I learn from? Ramon and Sabrina are talking about profitable businesses, what can I learn from how they're doing things. That is a growth mind-set, it's about changing our questions, because we fill find better solutions.

Ramon Ray
Help me understand this Dr Sabrina, we have a few more minutes to go, and again, everybody, we’re going to get to your questions real soon from Dr Sabrina. The toughest questions are going to come to her, the easy ones, like Ramon, what color is your shirt, I’m going to answer. The tough ones are going to go to her.

Dr Sabrina, it seems to me, especially... we have two audiences who we often talk to, theres those who have been in business for a while and are growing, doing great as we small businesses do, and then we have those who are kind of just starting that Verizon helps as well and all these ranges of businesses. So, my question is that it seems to me, Dr Sabrina, that business is about the tactical part, building a website, getting social media. But then what I’m hearing today, and I struggle with this is it’s a mindset game. I don’t even know how to ask what I’m trying to ask, but can you help us understand this balance, this need between, yes, you’ve got to know how to open a bank account, you have to know how to sell, but part of its just the game in your head. You understand what I’m trying to ask.

Dr Sabrina Starling

I totally understand and I think there’s... it’s so easy to find tactical solutions and because that’s what’s right in front of us, that’s what we gravitate to. When we feel like something isn’t working, we look right in front of us and say, OK, I need a solution for this. I need go more on this or go do this. We forget that we really need that thinking time. We need that time to connect with what is our vision for our business. Like if we’re struggling in our businesses right now, we have a huge opportunity to reimagine our business. If we could design it from scratch and start all over again, how would we have it be. And if we’re new in business, oh my goodness, now is the best time to say, how do I want my experience of being an entrepreneur to be. Do I want to be working 72 hours a week, do I want to be lying awake at night worrying about payroll and cash flow? Or do I want to enjoy quality time with my family, do I want my business to support my life, and start fleshing out the experience we want to have and as we create that vision, what it does in our mind is our mind wants to close the gap between our current reality and the vision that we have articulated for ourselves, so we will start to spot opportunities to make that happen. Which tying back to your question around tactics, a lot of times, the tactics we pursue take us directly off course from our vision, and we want to make sure that every decision we make aligns directly with our vision and gets us moving in that direction faster.

Ramon Ray

That is powerful. One more question, I just have to ask, Dr Sabrina. And again, we’re going to get to your questions in about 30 seconds, give or take. Please everyone, I know people are going to be asking, how do we contact Dr Sabrina? How do we contact Dr Sabrina? www.tapthepotential.com. Remember, take the assessment, I took it as well and I’m at www.ramonray.com. Remember, tweet us and I will send you a copy or two of Dr Sabrina’s book.

Last question, Dr Sabrina before we dive into these questions is any first steps you can give us, I know there’s so much we can do and so much work, it’s probably not a fair question, you could answer this for an hour, but in your experience, anything you’re telling people who are like kind of waking up to this mind issue, this mindset, anywhere they can start or is it just – they just have to wake up and think different. anything you can—

Dr Sabrina Starling

Just the awareness of being here and going, oh my gosh, I need to pay attention to my mindset is a great place to start. I want to offer everyone an opportunity to take our entrepreneurial burnout assessment, because that gives you a really clear picture of how your business is currently impacting you and your quality of life, as well as the aspects of your business that you can strengthen so that it will improve your quality of life. So, just that level of assessment and knowing where you are right now and some concrete steps forward that are customized to your particular situation will be huge. And I have a big ask, because we are studying entrepreneurial burnout and I need 300 entrepreneurs to take our assessment before the end of the year for us to have a solid base for the research that we’re doing, so we can give entrepreneurs more information to support them and their wellbeing.

Ramon Ray
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I love it. With that, let’s do the favorite of the ride of the Small Business Webinar Series. Dr Sabrina, are you ready? Are you ready?

Dr Sabrina Starling

I’m ready, let’s go.

Ramon Ray

Let’s get to questions.

So, we’ve had a number of great questions coming in and thanks for all of you who are participating and doing this and the questions are flying in, so let us begin and Verizon team, I hear a slight bit of static. If you need me to do anything, let me know. if not, then I’m going to continue on unless I see something from the production team there in the chat. It could be just me. But one question we have, Dr Sabrina, the first question was somebody was challenging Dr Sabrina and saying, really, can there be work/life balance. So, as best you can, can you just echo that for us and help us understand maybe is it a balance, can you be a good mom or a good dad and run a good business, or do you have to suck at one. Help us understand how that works?

Dr Sabrina Starling

So, the traditional definition of balance, no, we can’t have balance, that means everything is on equal level, and… really, what I encourage you to think about instead of balance is thinking about how do I build a business that supports my life. How do I shift the balance… if you’re in a position right now where your business has taken over your life, what needs to shift in your business, what can you improve so that your business sustains and supports life, that allows you to come home at a decent time every day, to have the weekends off, to turn your phone off and be present with your family, to be able to go to your kids’ recitals and ballgames. What needs to shift in your business for that to happen.

Ramon Ray

That is a smart answer, and I think these are good. We have the questions flying in as well. Another question we heard, Dr Sabrina, is about franchises. Someone was asking kind of if I get a franchise, since they have a template, which I think is a reasonable question, should I just do that, because I’ll have – I’m teasing here – no stress, everything will be great or is there a difference than launching a brand new business. Anything there, Dr Sabrina, or are both equally just running a business is hard, or is there any less to franchiseship.

Dr Sabrina Starling

We had franchise owners in our program at Tap the Potential right alongside our businessowners who were building things from scratch and the stress is there regardless of whether or not you have a franchise or not.

Going into a franchise is a significant leg up, because systems are created for you, you are not building the plane as you fly it. And as you know, if you are flying a plane and building it at the same time, that feels really stressful. But the other challenges that cause us entrepreneurs so much stress continue to be there. how do you hire great team members? How do you get your team members to use your systems and to follow the procedures? How do you keep your team members engaged so that they’re not coming to you for every single decision and action that needs to happen in the business, because that’s what creates that high level of stress for us.

So, my answer is yes and no. It’s easier and the stress is still there, because having a franchise does not take care of the other challenges, especially around hiring and building a great team.

Ramon Ray

Powerful, and this was an interesting question, Dr Sabrina. You can answer it however you want. And the person who asked it, you’re welcome to reclarify it. But I think it’s interesting is that, Dr Sabrina, I have a small business, three or four people on our team, we are
all too busy, so in your experience, Dr Sabrina, that’s a stressful position. Is it they have too much work, are the systems wrong, or the people they have just terrible laggards? In your experience, what are some things that could be going wrong, because they’re saying we’re all too busy.

**Dr Sabrina Starling**

I have a strong hunch about what’s going on here. At Tap the Potential, a lot of our clients who come into our Better Business Better Life Program have what I call “overweight” businesses, and that means we’re trying to serve everyone and meet all of their needs, and so when we start looking at the customer base or the client base in the business, we see a wide variety of needs and so one thing that you can do if you genuinely feel you have A players and there’s way more work than those A players can handle, do an 80:20 analysis on your business, identify the top 20% of your clients that are responsible for 80% of the revenue in the business, and then use that as the basis to really start clarifying the sweet spot of the business and consider letting go of clients and customers who are very difficult, demanding, have a lot of needs, even if they bring a lot of revenue into the business, if they are utilizing way too many time and energy resources from your team, they may not be a top client or customer and you may want to look at letting them go, so that your team’s energy can focus on the top 20% of your clients and customers.

**Ramon Ray**

Dr Sabrina, I’m sure I didn’t hear you properly. did you just say you may have to fire clients? I don’t think you meant to say that. Is that what you just said?

**Dr Sabrina Starling**

Oh, I meant it. Yes. That is the biggest thing... I want to give business owners everywhere permission, let go of the clients who drain your time and energy or your team’s time and energy. A lot of times we see business owners trying to hire a team to deal with the problem clients and customers, which is the wrong direction to go, because payroll is the biggest expense in a business, so if we’re going to expand our payroll to take care of clients and customers who are already draining resources, who provide very little or no profit to the business, we’re setting ourselves up to have a business that is not profitable, it’s not going to be sustainable and its definitely not life giving for us or our teams.

**Ramon Ray**

I can see the headline in the Tap the Potential Gazette tomorrow morning, Dr Sabrina tells Verizon Small Business host, it’s OK to fire your clients. And the reason I want to spend time on this, Dr Sabrina, because like you I’ve seen this in the thousands and thousands of businesses I work with a year, just to underline this. You have Becky who has 1% of the profit, but everybody is talking to her all the time, she wants customizations, making you go crazy, she is calling you late at night. You have Bill who is bringing you 99% of the profit, in this silly example, Becky is not worth keeping in this metaphorical case. So, I just want to highlight what we’re trying to say, you need to work with clients, but sometimes small businesses, we want to help everybody, help Uncle Ricky, and Cousin Brucie and everybody, this is part of the stress we have.

I think, Dr Sabrina, we have a lot of people asking about defining the top 20%, but I think you’ve answered that well in this, and I do want to encourage people to really check out Dr Sabrina’s site, www.tapthepotential.com, check out the resources there. I think a lot of that will help you unpack what we’re talking about this top 20%. If there's time, I may ask her to do this again.

Dr Sabrina, we had an interesting question come in and that’s that we’ve had several small businesses that have had good employees at the beginning, but over time, they kind of petered out, and the team that they hired five years ago, two years ago, three months ago that were rocket ships and on fire, now, either they're not enthused, they're not working well, none of them are stealing to get the full scenario, none of them are bad people, it’s just you can feel the mojo is gone. What’s up with that?

**Dr Sabrina Starling**
So, there could be two things going on. Number one, if you’re in a rapid growth company and your business is growing more than 25% revenue every year, I would consider you a rapid growth company, so it’s very likely that the team that you had who were rock stars three years ago were the right team for the business at that right size. As the business has grown, they may have found the business evolving into a place that they’re no longer comfortable, or they’ve gotten outside of their own personal zone of strengths and they have been tasked – and this happens a lot with A players on the team as the business grows, we ask them to do more and more and more, and a job that previously was custom tailored to their strengths and they were happy every day because they were working from their strengths, now has them working 10% of the time from their strengths and 90% of the time outside their zone of strengths, so they will lose motivation.

The other thing that can be going on is we see that in the majority of small businesses, there is very little attention being paid to culture in the business. So, my book How to Hire the Best is all about how to make sure that you are putting significant intention around the culture that you’re creating and nurturing your team as the business grows, because if you don’t do that, you will see people lose their engagement over time, and our team members who are A players, our attention needs to be there… as business owners, we tend to put our attention on clients and customers, we need to take care of our A players who will take care of our clients and customers. If we give our A players exceptional care, they will take exceptional care of our clients and customers.

Ramon Ray

I just may make a t-shirt company called Take Care of You’re a Players. Thank you, Dr Sabrina. I will say the few people who have asked, Ramon, how do I get her book. Listen, I’m going to buy three or four of Dr Sabrina books on my own and send it to people. Here is what to do. Some people said they don’t have Twitter, Dr Sabrina, all I want you to do is share this. That’s all. This information is so important, I just want you to share it. Facebook, LinkedIn, Twitter, Instagram, TikTok, TikTok, Pinterest, I don’t care what you want to do. Share it out. Take an image of this or just share I’m listening to Dr Sabrina, put a link, whatever you can do, we just want you to share it, share it, share it and I’ll make it simple, just email me ramon@smarthustle.com. Email me, say you did and I will send you some books. This is from Ramon, not from Verizon, a gift from me to thank the Verizon Small Business Webinar Series team.

Let’s move onto some more questions. This is a challenging question, Dr Sabrina, sometimes I would ask myself, and it’s about pay, for us small business owners. Sometimes we’re scrambling under the burden of the credit cards and paying this, we have our payroll to meet, whether its 1099, independent contractors that I use quite a bit or employees and all this, Dr Sabrina. So, how often, can you break this down – and feel free to take a bit of time on this – about how we pay ourselves. Is it once a month, every two weeks? Give us some tips on this, paying the business owner.

Dr Sabrina Starling

OK, so this is about oxygen mask on us first. We have to take care of ourselves as business owners. At Tap the Potential, we talk about veggies first, that means the self-care of the business owner has to come first. We cannot take exceptional care of our A players who we want to take care of our clients and customers if we are not taking care of ourselves first, and that means that we have to be paying ourselves a decent living wage to begin with as a baseline, and then increasing our compensation as the business grows. And so, the system that we teach as profit first, and that means you take a percentage of all the revenue that comes in, a certain percentage gets set aside as owners pay. It is not used for payroll. It is not used for purchasing that next piece of equipment. It is used to pay the owner a regular predictable salary in the business, so that we feel taken care of. It doesn’t matter if you pay yourself weekly or biweekly, it’s just that you know you have predictable income as the business owner, so you can sleep at night.

Ramon Ray

Let me just dive into a bit more Dr Sabrina, because I think it’s such an important point, and I must say I’m doing... don’t be too hard on me Dr Sabrina, profit first-ish, that’s the stage I’m at right now, so I’m almost there.
For example, if somebody has a few receivables, but a good deal of money, as the receivables come in – and I know the numbers, we can look into your material on that, so let’s not get into that – but they take, say, 10% out of each as it comes in or every week, they look into how much money in total came in and then take out that X percent. If you understand the nuance of that...or if I have a small candy company and I get quarters every hour, do I take X percent out of the quarters, how does that work.

**Dr Sabrina Starling**

So, the standard party line to do profit first is on the 10th and 25th, you look at the revenue that’s come in, in that period, and you take a percentage out for owner’s pay. Now, we have clients who do all kinds of variations of that, so profit first is meant to be a general guideline and one of the reasons you want to work with a profit first professional is to customize it to your situation, and so if it makes more sense to do it every week, you can do it every week. If it makes more sense to do it once a month, you can do it once a month. But for the most part, the majority who profit first are doing the 10th and 25th.

**Ramon Ray**

I must say, Dr Sabrina, the reason I’m taking the time to highlight this ladies and gentlemen, and again, Dr Sabrina and I are so excited you all are here, we have a few minutes to go, we’ve got a few more questions coming in live, but profit first has helped me, Dr Sabrina. If I talk too long, I’ll cry, you can’t believe looking at... again, it’s not perfect how I’m doing it, but I’ve looked at a certain bank account and it has a nice pile of cash, because I forgot about it, I put it aside automatically and I’m like, ooh, daddy can get some steak today. Let me move on.

Dr Sabrina, one of the questions that came in is how do you find good people. I know that’s something that many small businesses find a bit challenging. Dr Sabrina’s good, she is a rock star, she is working hard, but I can’t find anybody else even half as good as me. So, any tips, advice with how to find good people? And this can go a lot of different directions, I know, but what do you think?

**Dr Sabrina Starling**

So, this is why I wrote my book, *How to Hire the Best* because all of my clients had growing businesses and they were all coming to me with the question of how do I find good people. And so, I want to give you all some rules of thumb. A players are hardly ever unemployed, even in the economy and the environment that we have right now, A players are hardly ever unemployed, they typically move from one opportunity to the next. So, that means if you're following traditional hiring practices, which are I have a need, I'm going to create a job ad, I’m going to post it everywhere, and then I’m going to sort through all the applications that come in, I'm going to pick the best out of the applications that came in and I'm going to interview some of those folks and then I'll pick the best out of the people I interview, that type of hiring practice steps us up to mis-hire 75% of the time. That's because we're not running our hiring practice in a way that A players operate. So, A players are typically employed elsewhere and we want to be strategic in our networking to attract them to the business.

And something else I want to share with you, it’s not about how much you pay A players, that is not going to be the key to attracting A players to your team, it is understanding their psychology, look at the A players that you have currently on your team. Ask them what is it that you love about working here, what do you consider to be a great place to work. Capture their language, take extensive notes, use their language in the ads that you create and the messaging that you're putting out there, because like attracts like.

And so, being intentional and start building that culture in your business. When you’re asking you’re A players, what makes this a great place to work, they’re telling you what they want, it may not be going on currently in your business, but they’re telling you what they want, so ask yourself how can we start doing these things. What we find in the A players that we talk to in our clients’ businesses, there are some common themes, family friendly environment, flexibility, the ability to take care of family needs as they come up, A players are very results oriented, so it’s not about how many hours they're putting in. Keep the focus on are they delivering the results that you need from them. Offering those kinds of things will help you start to attract more A players to your business.
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Ramon Ray

We've got some time for some more questions, Dr. Sabrina, but I just want to remind people, some people I see asking in the chat, I just came on or I came late, what's this all about, who is the amazing Dr. Sabrina, who is this guy Ramon shaking his head back and forth and all this. Listen, however you registered to this, this is the Verizon Small Business Webinar Series, just go back to the same link. That’s one. Two, yes, this is on-demand, so you can replay this again and again and again and get these nuggets from Dr. Sabrina. If you look below your screen, it should be there as you’re looking at this, there’s an Attachment area, a tab where you can see the amazing slides that Dr. Sabrina has graciously prepared for this presentation, which will mimic many of the talking points, and I think there's a rating there too, you can rate us and all those things too, so thank you all for asking those questions.

Dr. Sabrina, this is a very practical, what I call, a transactional question, Bill's small business and the business owner has an art studio and the question they have, I told you, I was going to give you only the difficult questions is how do they generate quick cash. I don't know if it's COVID related, maybe in their state they're allowed to open up, but they're asking, we have an art studio, we were going on fine for a few years and months, we need quick cash. It’s an art studio. I have some ideas. We'll let you go first, anything that comes to mind for art studio or businesses in general to generate quick cash.

Dr. Sabrina Starling

We've taken our clients through this exact same situation. A lot of clients were impacted by COVID and we've had to help them pivot very quickly and generate cash. And so, it goes back to understanding who your top clients are. And so, if you're brand new, you don't know yet who your top clients are going to be, but you have a sense of the market that you want to attract, so you want to go have conversations with them and have broad conversations. Don't just ask them about what they want in an art studio. Ask them what drives you crazy about art studios that you visited previously. Ask them what are their biggest challenges in life right now, because that's going to give you insight into ways that you can look at your service that you provide to be a part of the solution to your clients' top challenges. When we solve the biggest problems for our top clients and customers, whatever that it, whatever that service or offering is that solves those biggest problems, they will pay for that, people vote with their dollars and that is the key to generating quick cash is understand your top clients and what their needs are, not just specific to your business but their overall life needs.

Ramon Ray

That is so important, Dr. Sabrina. I think just to remind people, you think of an art studio, I'm sure the business owner is much smarter than me, so they're not thinking like this, but many of us may think we're selling art, we're selling wood, we're selling canvas, we're selling colors, bu it think, to a degree, I have some art, but I think you're selling an experience, right. As my friend Seth Godin says, bragging rights when people come to your living room, oh, you like it, right. So, whatever you want to call that, I think, as a way, as a metaphor, that’s what you’re selling. As Dr. Sabrina said, if you can find out what you're really selling, price is secondary or possibly irrelevant. Does that sound about accurate?

Dr. Sabrina Starling

Absolutely, and the five-why technique is really good for uncovering what it is your top clients want most. When they tell you, I want to have that piece of artwork that when my friends come over and they look at my living room, they're just stunned and amazed. Follow that up with a why. Tell me more about why that is important to you. And then they're going to give you an answer. Then ask again, tell me more about why that’s important to you. What you're doing is you're peeling back the layer of the onion to get at the core, the emotional need that is there. when you know that emotional need, you can now design the experience for your top clients that they will pay money for.

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When I unpacked that for my own business, Dr Sabrina, it unleashed me, because I thought people were buying X, really, they were buying Y. I didn’t understand it, I was just being me, but I realized they were buying something I didn’t see.

Dr Sabrina Starling

We all do that and we miss the mark and so we've just got to dig in and we've got to understand what is the real need there that we're serving.

Ramon Ray

Squeeze in a few more questions here and then we’re going to have some final words from Verizon, but Dr Sabrina, this has been so good and remember everybody, share this with your friends, share this with others who need to hear it. Share it on social media, just email me, and I'll send you some copies of Dr Sabrina's books. One more question here, how do we keep top employees? I think you may have hinted at it already, Dr Sabrina, but you have larger brands, Facebook, or Google or whoever it is, bigger companies that can pay more. How do we keep our employees? You’ve touched on it already, but I will just recap that because I think it was such a good point. How do we keep them?

Dr Sabrina Starling

So, culture, having a great culture, understanding the needs of your top employees is going to be the most important thing you can do. Another really fun thing that we do is we utilize profit first to create a loyalty account for your A players who have been with you three or more years, and so what that means is whenever a profit distribution is taken from the business every quarter, a percentage of that is shared with those team members who have been with you that period of time. It goes into an account that is owned by the business, but its designated for that team member and every year that team member is able to take a third out for whatever purpose they decide. It’s a bonus. They've contributed to the profitability of the business, they've helped build that, and now they're going to benefit from it. So, it creates that we're all in this together feeling. The beauty of that is because two-thirds of that account is left in the account every year, it builds up significantly. If the team member leaves, they forfeit what's in that loyalty account.

So, that really helps you retain your A players long-term and the other side benefit is if you lose that A player, you get to keep what's in that loyalty account, you can use it to recruit and train your next A player. So, it benefits the business as well.

Ramon Ray

I'm going to try to squeeze in one more question here, Dr Sabrina. I feel like I want to come and work for Tap the Potential. If you get an application coming from Ramon, just look at it. A question I'm often asked, Dr Sabrina, I think it's so pertinent, heres a small businessowner who wants to serve X people, whatever it is, they can't afford their services, they're not there yet, but they have heart it seems, I can read the question, feel it, they have a heart. These people, they need the help. Any thoughts for this small businessowner. You may have gone through it. I go through it. I want to serve these people, I wish I could do it for free, but I can't. What do we do to either get them up to the level to afford it or tips, advice, how we can serve people who today, though, just can't afford us?

Dr Sabrina Starling

Veggies first, oxygen mask on the businessowner first, we have to build a sustainable business with what we do for people who can afford what we're offering. That has to be our first primary focus. Once that is in place, once we have steady revenue coming in, we have lots of ways that we can look at creating a smaller offering that is a piece of what we deliver that would be at a price point that someone who is not quite ready for us can’t afford, but we personally as businessowners cannot afford to start there. we can’t afford to be a charity. We won't survive, and then the offerings of the business are not there for those who need it.

Another thing that we're looking at on out Tap the Potential team is using a percentage of our time to donate to charity, or a charitable cause, and so that allows us at Tap the Potential to work with businessowners who might not be able to come into our Better Business
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Better Life Program, but we can work with people and do some education for them. So, there's lots of creative ways to do it. The rule of thumb is you've got to attract the people who can afford what you're offering first and serve them before you have the space, capacity to serve those who aren't ready yet for your services.

Ramon Ray

Awesome. Dr Sabrina, you were so awesome. We see some kudos coming in. Thank you to the dear person who said they like how I hosted. Big thanks to the Verizon production team, but one second before you go, we have a special message from Verizon that you will for sure want to hear. Dr Sabrina, you're awesome and let's hear this message from our amazing co-host at Verizon.

Chris Serico

And that will do it for today's webinar. Thank you so much Ramon and Dr Starling certainly lots of great takeaways for our viewers today, especially how they can focus on growing their businesses and finding exceptional employees. Thank you both.

Now, in the Attachments tab you'll see that I'm sharing the slides from today's presentation. You can catch up on all our past webinars on-demand on the Verizon BrightTALK channel page or at www.verizon.com/webinars. And remember to catch our next webinar on 20 October, we'll be here with Mari Smith, yes, the Queen of Facebook will return to round out her series of webinars with us and to discuss how to make compelling videos on social media. You won't want to miss that.

So, we look forward to seeing you again for all the events in our Small Business Webinar Series. Thanks again for joining us today.