



NINE QUESTIONS ABOUT BUILDING A JEWELRY BIZ DREAM TEAM - ANSWERED! THRIVE BY DESIGN WITH TRACY MATTHEWS

So one thing that I've learned because I wanted to build a team of independent thinkers is I ask them for solutions to the questions that they're asking.

You're listening to Thrive-By-Design business marketing and lifestyle strategies for your jewelry brand to flourish and thrive. Let's get started.

Tracy: Well hello there. I'm Tracy Matthews. Welcome to the Thrive-By- Hey there it's Tracy Matthews and welcome to the Thrive-by-Design podcast. I am thrilled to be here today bringing you episode number 36. For those of you who are new to Thrive-By-Design welcome. I'm so glad to have you here and for those of you who are coming back welcome back. We're stoked to have you. It's so fun to be talking about all this jewelry insider jewelry industry stuff and helping you with your jewelry business to help you flourish and thrive. So for those of you who don't know me I am the Chief Visionary Officer and one of the founders over at Flourish and Thrive Academy and we get a lot of questions all the time. Robin and I are always answering questions in our private groups about hiring people to your team.

So I wanted today to cover nine questions about building a jewelry business dream team. Answer some of those questions that we get all the time because I think it is a tough decision to make to actually decide to hire your first person on your team whether it be a contractor or an employee and to really understand when the right time to do it, how to do it, all those things and obviously that's a giant topic. So I just wanted to scratch the surface and talk about some of the key things that we get asked quite often so you can start plotting and planning about when and how to hire.

So before we get started I just wanted to mention something amazing that we have going on right now over at Flourish and Thrive Academy. We are hosting a free training series called "From Overwhelm to Freedom." Doesn't that sound brilliant? Well it is brilliant. So I really want to invite you to go over and check that out. You can go check it out over at www.flourishthriveacademy.com/freedomnow and we talk all about this series about really becoming and stepping into the role of the Chief Visionary Officer for your business and stepping out of the role of acting like an employee or someone who works for yourself. So I think it's really important. It's a fascinating concept. I think you're really going to love it. Definitely check it out. It's totally free. We'll also have a link over at the show notes so you can check that out over at www.flourishthriveacademy.com/episode36.

Alright so let's dive in to some of these questions that we're going to answer today about hiring a dream team for your jewelry business. Before we get started for those of you who don't know my history





I've actually had two jewelry businesses. My first jewelry [3:00] business I started in 1998 back in San Francisco and I hired my first team member within the first six months of starting my business and that was a production worker and while I was in San Francisco over the course of the eight years while my business was there I had upwards of thirteen people working for me at one point. It was a combination of employees and independent contractors. So I've seen and done it all. I also moved my business here to New York, brought some people with me, and then had a team of outside contractors who did most of my production for most of the time here and I even got audited so I know what that's like and can give you a little insight on what the experience is like to get audited by the Labor Board and that's why it's really important that you need to understand if you should hire an employee or contractor depending on the type of position that you're hiring.

So I'm going to talk about that first. That's the first thing that we're going to cover today is whether or not this person whoever you're hiring should be an employee or a contractor and we'll go into that in just a little bit of depth and before I start I just want to put out the disclaimer there I am not legal counsel. I am also not an employment attorney so please check with your legal counsel to make sure that your choices are in alignment with what is legal in your state or country.

So typically an employee; how I've been explaining this is the key difference between an employee and a contractor is the level of control that you have over them. So an employee you would have more control. You could tell them when to show up, when they could leave, they'd have set working hours, they typically work on location, they use your tools and equipment to complete the job. You tell them specifically how you want the job done and they are paid typically a salary or an hourly rate. They have benefits and privileges in a lot of cases. You might have to provide health insurance or vacation time and the company will also have to pay unemployment insurance and employment taxes and withhold taxes from their paycheck.

So that's a key differentiator between someone who's an employee versus a contractor where they use their own tools to complete the job. Often they set their own hours so you give them a project and they'll work on it in their own time and they can figure out when they want to work on it. They work off site not on your premises. That's a key differentiator. There are cases when a contractor can work onsite but you really need to investigate what the parameters for that are. You give them work but they determine the details of how the work is done and they are paid by the project or by the hour and they invoice you when the project is complete and they deal with the taxes. You don't have to deal with that. They pay their own taxes. You would end up 1099ing them at the end of the year and they'd be required to fill out a W-9 form on most cases.

So those are sort of the differentiators. You have less control over a contractor. More control over an employee. So you want to think





[6:00] about that. Is this someone you want to come into your office and actually work for you or is it someone that you want to give them work, have them do it on their own time, and just deliver it. So that's a really good distinguishing factor to sort of figure that out.

The second thing that we get asked a lot is who to hire first? So when you know that you need to hire someone and who is the first person to hire and the way I like to distinguish this or differentiate it is what are the things that are keeping you from focusing on growing your business? So in my case my first hire was getting someone to help me with production. I had a lot of orders at the time and I wanted to get them out quickly so that I had cash coming in to my business and I couldn't do it all alone and also do the things that I needed to do in order to run a business. So in that case that choice was the right choice for me.

I also then eventually hired a bookkeeper because I realized spending a lot of time on the books wasn't necessarily the best use of my time when someone who is more skilled at accounting and who likes to organize receipts and there are a lot of people out there who really like that stuff is probably better suited for that job. So that was another thing that I outsourced and then ultimately when I eventually ended up building a website because believe it or not back in 1998 I think I got my first email address when I started my business. There wasn't even such a thing as eCommerce at the time so imagine how long ago that was which is pretty funny actually.

So those are my first hires. Nowadays with technology and everything I would say for most people probably the first hire would be some sort of social media management or website programmer or someone who is technically a virtual assistant and can do a lot of different things and I like hiring out virtual assistants first I think because for a couple of reasons. They can actually work virtually so you don't have to hire on the expense of having an employee. They can work on their own hours and abide by the laws of a contractor. So it's a lot less expensive to get in and this is a great way to hire interns or people who are technically savvy maybe; they're still paid who can do things maybe in off hours or in addition to their regular job and it tends to be an affordable option to get you started and to outsource some of the work that's on your plate.

So I think those are sort of some of the first positions that I would hire first and then eventually over time I think bookkeeping is a wonderful thing to outsource and hire for. I think that any sort of technical thing or anything that's not in your zone of genius that is not a high leveraged activity is very important to get off your plate and start to get someone in there to do that sort of job. So those are the positions I would say to hire first.

Now the next question that we get a lot and there are actually two questions. Which position should I hire for in house or employee work and then which positions should I hire for as a contractor? So I'm going to tackle these two questions in the same question I guess [9:00] whatever. So I think the kinds of people that you'd want to





hire in house are someone like a production manager. There are a few cases when you might not have to have a production manager in house. In fact my production assistant or manager does not work in my house. He actually has his own business; runs around the jewelry district. He works for other companies. He's definitely an independent contractor but because of the nature of my business I don't need someone full-time. It's a very part-time position because I only work on five projects a month which there's not that much project management that goes along with that.

That's what suits my needs but if you have a bigger production cycle you probably need someone to go in house. So I think that's a good job to hire in house. Ultimately when you have the budget and your sales are ramping up and you need sales support I think a salesperson is a great person to hire in house and also some sort of operations or administrative assistant that can answer your phones and take care of the office for you. So those are things that I would hire first in house and then there's a multitude of other things you can hire in like a full production staff if you have that set up. You can hire shipping and handling person; lots of different positions that you can hire in house eventually.

As far as contractors go I am a huge advocate and proponent of hiring labor outside of your office. It allows you to keep your overhead low. You don't have to have a big studio space where you have to have everything OSHA certified and legal with tanks and stuff like that and that (10:28 unclear) as a responsibility is actually on the contractor. So in industry cities like places like New York or LA or even Chicago and some of these other bigger cities and even San Francisco I would say you have this opportunity to work in hubs of areas where there are a lot of people or independent jewelry manufacturers working if you're in the United States and in other countries definitely the same holds true if you're in the UK or something like that. Definitely in London and some of these industry towns you would be able to find jewelry manufacturers to help you with the production.

I know that other designers have all their production in house. Our friend Melissa Joy Manning who I talk about all the time has a full production staff in her offices in Berkeley, California. I know that Polly Wales just moved her entire office from London to Los Angeles and has all of her contracting set up in house there and she does all of her casting in house. So those are positions that you can hire in house and also positions that you could hire as contractors. I think also a couple more things that I sort of briefly mentioned before is I think any sort of virtual assistance work where they don't need to actually physically be on your property is a great thing to hire as a contractor.

So the majority of the team at Flourish and Thrive Academy are actually independent contractors. They typically work for other people, have their own businesses. They tell me when they have time to work. I tell them what to do not how to do it. [12:00] I give them feedback and we go back and forth until the work is right but they're





not technically; I'm not saying you have to work from 9 to 3 or something like that. They work on their own time. I just give them deadlines of when the projects need to get done. So any sort of virtual assistant work is a great thing to hire out as a contractor.

So the next thing I wanted to talk about is actually hiring which I think is really important and I've studied a lot about hiring and leadership this year because our team is growing over at Flourish and Thrive Academy and I realized some of the mistakes I made when I had my first jewelry business. So I'm trying to be a better leader and I'm also trying, working really hard to get the right people on my team and part of that requires having a good interview process which my mentor Ryan Levesque likes to call the interview hurdle. I've heard a lot of people call it different things and I've studied a lot about this from industry leaders and people in the online space and all different industries about the best ways to hire.

It all comes down to creating some sort of hurdle. Now back in the day I made the mistake of just looking at resumes first instead of actually asking questions because one of the biggest overwhelming things that I've found about interviewing and hiring people is that you don't have enough information from the get go. You know what someone writes on paper is just what someone writes on paper. You don't really know how hard their working or what's going on or what their work ethic or style is like and so I think that that's something really important to consider that if you're only looking at a resume or a piece of paper yeah that looks great on paper but people are only going to really list the things that they succeeded at and same thing with references. They're only going to give you references that are going to say good things. So you have to go above and beyond to make sure that whatever it is or whoever it is that you're hiring or whatever it is that your hiring process is is that it tells you enough about the person to make an executive decision if this is someone that you'd like to move on to the next step.

So what we do or what I do nowadays is I start by having an application process. So we have for whatever job we're hiring have a detailed job description. So we ask them basic questions and then we start to ask them behavioral questions about the position that we're hiring. We ask them about how they handled situations in the past that didn't go the right way and we ask them to answer questions specifically about the job and how they succeeded and then the next step of that process is that we require them to take different series of tests in order to see what their skillset is and sometimes as a test; you know my mentor Ryan recommends putting everyone through a typing test and the reason for the typing test is not necessarily how quickly their typing speed is while that could be an important factor if it's an administrative job and they will be on the computer all day.

The important part about that is if they have to submit typing test results [15:00] in the instructions it will say take this typing test and give you a result. It doesn't say take it once and then give us the results. It says take the typing test and give us the results. The





people with attention to detail will notice if they made mistakes and retake the test many times until they get a good score and all the typos are corrected and that's the kind of person that you want on your team. Someone who is detail oriented not someone who's going to slop through a project. So there's different things such as that that you can put them through.

Once we get people through that first series of interview hurdles we ask them a few more questions. So we'll narrow it down to let's say ten people. Then what we end up doing is we ask them a few more questions to get on to the next phase and we actually have them do a project that's part of the interviewing process. So the project is always directly related to whatever we're hiring for and in fact often times it's something that we need and I've heard a lot of people interview this way. Sometimes it's paid. Sometimes it's not and you can decide if that's what you want to do. We always pay because I feel like it gives people an incentive to do a much better job and also it's a little shady if you're going to be using some of the work or some of the research that the people that you hire do in your actual business.

So for instance when we were hiring Abby we had a couple of candidates who we gave them a social media test, we asked them to do some writing tests, we also ask them to do some research because that's an important part of the job, and then we gave them specific customer service scenarios that they had to answer. So Abby came out the shining star along with two other people. We interviewed those three people and Abby was the obvious choice. Now when I was hiring for production workers in the past we would put them through a production test. So part of the interview process was something similar to this. I didn't even realize I was doing a hurdle at the time but we made them come in and actually assemble some of the jewelry that we actually make. We would put them through a test in order to see and then we do a test day of them on the job and we quality control everything and that allowed us to see if it was really someone who was going to be a good fit for the company.

So the next step that you want to know is you want to know if the person that you're hiring is a good fit for your company culture and there's a whole interesting book about this that I love and I read. It's called "Traction." There's another book that's similar called "Get a Grip." They're both by Gino Wickman. They're basically the same book just written in a different way and it's interesting because what you want to know is if someone is really buying into what it is that your company is all about and that they're a good fit for the company culture and what that also entails is getting people in the right seats.

So one of the things that I used to do when I would hire it was like the worst hiring practice ever so please learn from this is I would meet people and I would be putting them through the interview process. I would do the old school way of hiring. I would just look at [18:00] resumes and call the people that seemed like they would be





a good fit and then I would meet them and I would hire them and whoever was a good interviewer that I liked I would check their references and then maybe have a second interview and then that's how I would evaluate hiring someone. But typically what ended up happening was I would hire the people that I liked more than the people who would actually be good for the job and that's what ends up happening if you don't hire correctly and get people who are a good fit for the company culture but also a good fit for the position.

So that's an interesting little dynamic there. So maybe the people were in essence a good fit for the company culture. We got along. They seemed to have the same values and to be on board with a bigger vision of what I had shared with them but at the end of the day they weren't really a good fit for the position that I was hiring. So those two things sort of go hand in hand. In the last year we've done a lot of repositioning over at Flourish and Thrive Academy to make sure that people are in the right seats and when we first started the business Robin and I were kind of doing everything and we realized as the company started to grow that Robin really loved working with the community. She loves coaching. She loves talking to people all day long. So we created a position for her where she gets to talk to people all day long. She's basically the head of coaching. She's in charge of our mastermind. She's in charge of all of our community groups and she gets supported by other members on our team but that was a great fit for her.

Where I really love; I do love coaching and all that stuff but my favorite thing to do is to come up with ideas to be creative and to come up with the content that we're bringing. That's why I'm hosting the podcast every week because I love doing this stuff. It's like I could do this all day every day. Talk about advice, come up with ideas, and create things and that's what I love to do. So that's just one example of how you can get people in the right seat. Now when I had my production team at Tracy Matthews Designs years back I had many people on the production team. We had one girl who was amazing at assembly and wire wrapping so that's all she did all day. We had one person who was just okay maybe at the technical part of jewelry but she was really good at organizing and keeping our inventory in check so she was in charge of that section.

And then we had another person who was really good at managing the production and making sure that everything; all the orders were getting out on time and making sure that the ordering was done. So at different times in the business all of those people were doing different things which I would say with the exception of Chen who was our key assembly person they were all doing different parts of the production management process but when we realized what they were really good at we were able to get the right people in the right seats and it was easier to kind of get the business going in a good flow when people were in the right seats.

So the next thing that I wanted to talk about was how to set team members up so that they're successful at their job. So there's a lot involved in this and I'm just going to touch the surface and I hope





that you'll join us for our free training series because we're going to talk a lot more about this in [21:00] "From Overwhelm to Freedom" and once again you can check that out over on the show notes at www.flourishthriveacademy.com/episode36 or you can check it out over at www.flourishthriveacademy.com/freedomnow.

So setting your team members up for success is key. You can't just hire someone; expect them to know what to do next. We have very particular ideas of how we want to run our business as entrepreneurs and business owners and I think this is something; this is one of the biggest things that I've learned as someone who's been an entrepreneur since the early 90s either part-time or full-time is that you cannot just create a position, hire someone, and expect them to know what to do unless they already have expertise in that area and my guess is that in most cases because we are running our businesses on shoe strings which is what you do when you have a small business. It doesn't matter if you're doing multi-million dollars in sales that's still a small business and you're running things on shoe strings, you're trying to get the most profitability that you can out of your business is that you need to hire people that probably aren't necessarily experts at the position that we're hiring for.

We probably are going to have to train them. For example I had an intern who worked for me for three months I think. She was hired. I didn't have to pay her which was an amazing opportunity for both of us. She got school credit. I was able to hire a free PR intern who helped us get some press. Well with that being said she didn't know how to run PR but she was learning it in school. So part of the tradeoff for having someone work for free is that we had to train her and teach her how to get PR. So we gave her a system. We gave her the contacts. We showed her how to follow up. We reviewed her press pitches. This was me and my salesperson Hillary and then also my operations manager Carly who's my sister and we gave her support in whatever way that we can. She had to ask us a lot of questions which can sometimes be debilitating but the tradeoff was that we had all this extra support and we didn't have to pay a salary for it which is amazing.

So that's just something to think about. You need to set people up for success by giving them detailed instructions about how their job needs to be done and that requires having a standard operating procedures manual and also really distinct job descriptions for whatever it is that you're hiring for so that people on your team know exactly what they're supposed to be doing every day. It might seem obvious if you're hiring a production worker or contractor here's how to get it done but it still holds true. They're still part of your team. You need to give them instructions on how you want things done and be as crystal clear as possible. That's why setting up great systems in your business and having manuals and procedures on how things should get done and training [24:00] manuals is super key to setting your team members up for success.

So another thing that I wanted to talk about is how to manage people effectively. I don't know about you but I like being an





entrepreneur because I like coming up with ideas and passing things down and having other people do the work. When I first became an entrepreneur as a jewelry designer I really came to it because I had this passion for design but that evolved over the years and as my business grew I still have this amazing passion for design which gets me excited every day when I get to be creative but I know that I have to delegate and to be a leader and to be able to manage people effectively and one of the things I realized I know that my strength is definitely not managing people. I know that from a personal level so it's my work because I'm always studying how to better manage people.

And one of the things that I've learned is that you need to give people a balance between direction and the ability to kind of succeed on their own so some level of independence. So there's this fine balance between those two. If you are the type of person who is going to micro manage people I can guarantee you that you're not going to get much else done in your business. So it's finding that balance and giving people enough leeway to come up with solutions on their own but also giving them guidance. So I know that might sound big but you'll understand as you start to grow your business and we offer a lot more tips on this over at the blog at Flourish and Thrive Academy so I wanted to make this really easy for you so I linked some posts over in the show notes on this episode so you can check out some of the other articles that we've written and some of the videos that we've done about hiring and then also make sure you check out our free training series. You've heard me talk about it a few times now but really about how to manage people effectively while giving them enough guidance but also enough leeway to make mistakes but also learn from their mistakes and solve problems.

One of the things I notice that when you aren't being a good manager or a leader that ends up happening is that people start interrupting you all day long and what ends up happening is you can never get anything done because they're always asking you questions, constant questions, constant questions. So one thing that I've learned because I wanted to build a team of independent thinkers is I ask them for solutions to the questions that they're asking. So let's say if someone came to me and say hey Tracy I'm not really sure how you want this stone connected, how do you want it done, and can you show me how to do it? I would say how do you think it should be done and then I would let them come back to me with an answer and maybe it's not the answer that I want but at least they're coming up with some solutions so they can come to me with solutions to the problem before asking me how to do something. So that's just a really great practice about giving your team a little bit more guidance and also managing them more [27:00] effectively.

And then also I think it's really important to be respectful of the people that work for you. I know that there's a lot of pressure because you're running a small business and there's often money on the line which I totally understand and if you're someone who is high spirited like me it can be really stressful and you might at times become a little bit unprofessional with the people that work for you.





I've crossed this road many times and trust me it never is a good idea. So it's good to separate yourself and actually be the leader of the company and be a manager and guide your people and not cross that line of either I don't know if you've ever heard of people being in the workplace where people are yelling at them or being unreasonable or getting super frustrated. We are all human but there is a culture that you need to obtain to be a leader and to be respected as the leader of your company.

So just keep that in mind as you are growing your business and learning how to manage people that that's to keep your cool is really important and if you need a moment to step away because you're upset or something like that walk away and try to have some sort of boundary between the friendship that you develop with the people who work for you and you being their employer or their manager; really important.

And then the final thing that I wanted to cover is how do you know when it's the right time to hire? So I think the most important thing this is super self discovery thing that you're going to have to decide on your own. It does come a little bit down to money. I was listening to a podcast that Melanie Duncan was talking on I think it was Amy Porterfield's podcast about hiring your dream team or hiring people on your team and her hiring process and one of the good things when you're evaluating when to hire that she recommended and I'm totally on board with this and that's why I'm restating this is to put a number next to that person. When you hire that person how much more revenue is it going to bring into your business because it's going to free you up to do the things that are going to help you grow your business instead of tying you into the day to day of working in your business instead of on your business. So that's the first thing that you need to consider.

The second thing is that you need to budget for it. Think about what can you actually afford? You have to get your sales numbers probably to a certain amount unless you have some funding coming into the company or you're investing your own money into it and you have to really think strategically about what you can do and for me it's always a motivating factor. I want to get someone on so how much more do I need to sell in order to hire that person. I'm motivated that way so it works for me and that's one good way to do it and so when I was hiring Peter, my first virtual assistant who is now the Director of Marketing for Flourish and Thrive Academy. He's come along way with me in my businesses.

When I first hired Peter when I was starting over my custom jewelry business I knew that I wasn't really going to be good at dealing with website updates and scheduling emails and stuff like that because it's just [30:00] really not my zone of genius. I don't really like doing that stuff and it took a lot of time and I found that I wasn't really being able to give my business enough attention of the growing part of the business so I knew if I could just sell let's say a hundred dollars extra a month I would be able to hire him on part-time to just work a few hours here and there to do some necessary updates. That freed





me up that extra ten hours to focus on sales and really nurturing my clients. So that was something to think about and that's a way that you can evaluate.

Start maybe with a hundred dollars and then increase it to two hundred, three hundred, four hundred, five hundred, and you can get people who are independent contractors, who are virtual assistants who work virtually to do things like social media management, etc. and can do things on their own time to actually get you the results that you need and to free up your time to be working on your business. So I would create a budget and then also attach a number to if you hire those things out how much more time or money will your business be able to generate because of that extra hire.

So those are the nine things. We covered the difference between an employee and a contractor in these questions. Who to hire first? Which positions to hire in house? Which positions to hire as independent contractors? We talked about how to create an interview hurdle which I think is really important. How to make sure that you're putting the right people in the right seat and assessing their personality to make sure that they're in the right seat? We talked about how to set team members up for success at their job and how to manage them effectively and then how to know when you can afford to hire. So those are nine questions about building a jewelry business dream team that I just answered for you and hopefully you have a little bit more clarity on that and I'd love to give you even more clarity.

So a couple of times I've mentioned a free training series that we have going on right now. It's called "From Overwhelm to Freedom." You can check that out over at the show notes over at www.flourishthriveacademy.com/episode36. You can also check it out by going to www.flourishthriveacademy.com/freedomnow. That's www.flourishthriveacademy.com/freedomnow. Alright it has been my pleasure to be here today. I just love this podcast. I love recording these podcasts. It's so fun for me.

So I wanted to also mention that we have a bunch of articles linked in the show notes of articles that we've written about this and other articles that you might find useful that relate to hiring and then I also wanted to hear a little bit more from you. So in order to keep bringing you such valuable content we need to know what you want to hear. So if there's a specific topic that you want to hear about, if there's a specific thing about your jewelry business that you're really curious about that you haven't been able to find the answers too please comment below especially if you're on our blog. [33:00] you can comment below the post, tell us what you want to hear about and then also we'd love for you to rate, review, and subscribe to our podcast.

So if you really like what you're hearing please subscribe. It really helps. Download the podcast every week and we've love for you to rate and review it so that we know what we're doing well and we can bring you more of the same. Alright this is Tracy Matthews of the





Thrive-BDy-Design podcast and Flourish and Thrive Academy.
Thanks so much for joining me today. Until next time take care.



This document is owned and distributed by Flourish & Thrive Academy. It may not be sold or otherwise distributed without expressed written consent. | © 2016| Flourish & Thrive Academy