



The 75% Rule please?

THRIVE BY DESIGN WITH TRACY MATTHEWS

“Focus on the things that are the \$500 and \$1000 an hour tasks that are actually going to continue to grow your business over and over and over again that put the systems you can scale and grow.”

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: Welcome to the Thrive by Design podcast, episode 196. I am Tracy Matthews, the chief visionary officer over at Flourish and Thrive Academy, and Creatives Rule the World, and I am excited to be here, to be talking about something I’m super passionate about, the 75% rule. I’m actually on the road right now. I’m in San Francisco as I’m recording this podcast, and a couple days ago, I just did this amazing master class, which is we have available for you to register for, and this master class is called the Ultimate On-line Sales Success Plan, and in that master class, I talk a little bit about the 75% rule. If you want to catch the master class, you can head over to www.flourishthriveacademy.com/ultimate.

One of the reasons why I’m really passionate about this topic and why I wanted to talk about it today in particular is because I see a lot of people in their business, whether they’re jewelry designers or makers or other creatives, because I’ve been thinking a lot lately, or any type of product-based business or any business at all, quite frankly, they’re focusing on the wrong things because they’re focusing on all the busy work, like all the things they have to do instead of really the things that matter in business, and so that’s what I wanted to talk about, the 75% rule today because that is what is actually going to make your sales and help you grow your business. I also talk about it fairly in-depth on the Ultimate On-line Sales Success Plan, so if you want to catch that, head on over to www.flourishthriveacademy.com/ultimate, and I will definitely have that linked up in the Show Notes as well.

Here’s the deal: I am on a mission lately to train and help designers, makers brands train their customers to buy from them online, so this mission started, I don’t know, a couple years ago, but really I keep getting



signs that I'm on the right path, and here's the reason why. I was walking down Bleecker Street the other day, and I noticed that like 50% of the storefronts are closed, and for those of you who don't know what Bleecker Street is, it is a really amazing shopping street in New York City. It was one of the streets that I sold to some of my best accounts or one of my best accounts, I should say, used to have a store on that street, and they would order like every single month.

It was like one of the best shopping streets there was literally in New York City, and one-by-one, the small mom-and-pop boutiques started closing, and then big brand stores started to come in, and now even those big brand stores are starting to close, and so the reason why I talk about this is because it really reminds me of what happened back in 2008 when my business was taken down by the terrible economy, and there were store closures left and right, stores really struggled to pay their bills, and while I do believe that wholesale is a viable business model - Robin and I talk about this all the time - it has changed, and I think a lot of people are trying to build their companies and compete on a big stage where brands have been established for years, already have real estate in the stores that everyone wants to be in.

So what does this mean for the rest of us out here? No, it doesn't mean shut down your business. It does not mean anything like that. What it means is that you have to think about pivoting or doing things in a different way or finding your innovation when it comes to growing your business, and this starts with getting in front of your customers directly, and here is what I mean by that.

There are tons of shoppers who like to consume... consume is maybe the wrong word... who like to purchase products from independent designers. I am one of them. I have always been that way. I much prefer buying from independent brands than big mass brands, and now as I've gotten a little bit older, my tastes have changed, and maybe I'm not shopping at places like the Artists & Flea anymore because I think it's not appropriate for my 47-year-old age bracket, but at the same time, I do like fashion, and I love consuming boutique-style brands. I keep saying consuming, but buying boutique-style brands, and I love looking good, and I love shopping - maybe I don't love shopping. I always talk with my friends about this. I love having new things to wear and I love having a sense of style. I don't technically like shopping, but I do like having new clothes, new jewelry, and all those sorts of things, and there is a lot of people out there like me,



and I can identify many of them because they are my friends and they enjoy shopping too, or enjoy looking fresh and having great options to choose from. I also have a lot of friends who don't like shopping, and they dress themselves primarily on Rent the Runway, which is totally cool. I have ordered that too for photo shoots and video shoots and stuff like that, but that's beside the point.

The point being here is that – I digress – is that there are thousands, tens of thousands, hundreds of thousands, millions of people who want to buy independent brands like yours, and because boutique shopping is not nonexistent, but much harder to find these days. It requires us to focus on getting in front of our dream and target audiences by reaching them online, and I am on a mission to help more designers grow their business, create more leverage in their business, remove the exhaustion from their business so that they're focused on the right things that are actually going to grow their business and move them forward, and primarily, and this is the mission really of Creatives Rule the World, if you haven't been over to my new website, head on over to www.creativesruletheworld.com. It's spelled out just like it sounds: Creatives Rule The World, and there I'm just having a conversation about using your creativity to actually make money, and it all stemmed from my work here at Flourish and Thrive Academy, working with so many designers who really struggle to focus on the right things or think strategically about how they're using their creativity to actually make money because this is our biggest gift.

We are creative beings, and we will make money if we use our creativity in the right way, and what I find, and I know that's from personal experience, is that a lot of us are spending our time doing the soul-sucking things that drive us nuts in business or the things that we don't like to do or the things that bog us down. So we constantly feel overwhelmed. Our business doesn't move forward, and we struggle to get things done.

So I'm going to dive a little bit deeper into that. At the end of the day, we feel just exhausted and not fulfilled by this business that we created for ourselves, which is really like a job, and so I'm going to be addressing more of that in this episode, but the reason why I'm talking about this is because there was a designer who came to us about a year ago, and her name is Allison Callaway-Young, really talented artistic designer. She really comes from an art school, artistic school background, and I tease her a little bit because we've been working with her in our SOS coaching program for a year now, and she was struggling with what to basically



work on her newsletters with, and so I was helping her workshop in one-on-one, and I'm like, "Who do you buy from on-line? Or who do you...?" And she's like, "I don't shop." I was like oh, my gosh! And I was teasing her a little bit. I'm like, girl, you've got to start like doing some market research and figuring out how to reach your customers, and how to market to them.

And so, that was just like a little bit of a funny sidebar, but I mention Allison today because I'm really excited because of all the work that we've done together, and I can't not give her credit because it's really more about here transforming the way she thinks about her business. Her Q1 sales are up 47% over the last 2 years, which I'm so happy for her because Nicole, er Allison – Nicole is my friend, I'm staying at her house right now – Allison Young already had a really successful business. She was doing already six figures. She was really growing, and her goal in becoming part of our SOS Accelerator Program was to create more leverage in her business.

Because she is an art jeweler, she spent most of her weekends at shows, and she is exhausted, and I don't blame her for being exhausted, and we've talked about it before, if you're building your business on shows, which is a great way to actually connect in person with real, live consumers, it just gets exhausting, and if you're not leveraging those experiences properly and collecting email addresses and actually properly marketing to those people after training those people to buy, then you're doing yourself and your business a disservice because it's just basically like throwing money in the trash because those are all consumers who if they've already purchased from you and interested in your brand, could be shopping from you and in-between shows.

And so I'm just – a shout out to Allison! Great work, girl! Up 47% Q1. I'm super stoked for you! I hope we can keep that trajectory going through your Q2 and in the SOS program. If you're listening and you're interested in learning more about SOS or a workshop that we are hosting called Train Your Customers to Buy From You On-line, it's a 12-week workshop, designed to help you collect, connect, convert, and start to make sales from your existing customers and attract new ones. I'd love to invite you to jump on a strategy session with me or someone on my team, and we can talk a little bit to you about that program and/or the workup. You can just let us know which one you're interested in. The workshop is only 12 weeks, SOS is a 1-year commitment, and that program was really derived out of



passion that I had to help designers add another \$10,000 a month in revenue to their sales because I feel as though, and I know, that it is something if you are focused on the right things, and you're pulling yourself out of your business, to use your creativity, to make money, to develop your business, to grow your audience, to connect with your right customers, to convert those customers into repeat sales, repeat customers, you can easily scale your business without a lot of extra work. The cool thing is if you're selling direct to consumer, your profit margins completely scale as well. This is just an opportunity for you to continue to grow, which is very, very exciting, and I'm excited about it. So head on over to www.flourishthriveacademy.com/Strategy.

I feel like I'm try to contain my voice right now because I'm in my friend's house and because I'm not in my regular podcast studio because I'm on the road right now in San Francisco delivering out SOS workshop this week. As I'm recording this, this room is a little echoey so I'm trying not to talk too loud, so if I sound a little more monotone than my usual loud booming voice that is why. I don't want that echoey reverb going on in the podcast.

Anyway, let's talk a little bit about the 75% rule. This rule came up because as I'm coaching designers in our SOS program and also in the Diamond Insiders over the years, I've heard a lot of people just say, like the one thing I hear over and over and over again, especially from creative entrepreneurs, creative thinkers, jewelry designers, anyone sort of, anyone I encounter that I have met a conference or whatever that is really trying to get their business off the ground or get to that critical mass, is that they feel overwhelmed by all the things that they're doing, and if their business isn't growing, the one thing that I ask them all the time if what are you doing with your time?

What are you spending time on? Like a lot of people have these to-do lists and these task lists are super long, and they're spending all their days on the things that aren't moving the needle and moving their business forward instead of the things that are actually going to grow it, and so if you are someone who is not financially where you want to be, you're not making the revenue that you want, if you're struggling to even get over that 6-figure mark in your business, and while everyone has different goals and you might even have a side hustle type of business, which is totally cool, don't let that number tease you, or hinder you. maybe is a better way to put it because whether you're trying to cross 6 figures, cross multiple 6



figures, do 7 figures, get to the half-a-million dollar a year mark, whatever it is, or even if you are just status quo and happy maybe getting to \$50,000 a year in sales, that's awesome. I fully support you in whatever, but if you're not reaching your financial and sales goals, and you feel really busy and overwhelmed all the time, chances are you are not using the 75% rule, and listen up if that's you! Because it's really simple! It's not rocket science.

Every day, when you sit down to start working, I want you to think through the lens of what are 3 things that I can do today that will help me reach my goals, that will bring money into my business, help me connect strategically with someone, something, a platform, a store that will help me grow my business, or what am I doing to actually market and get in front of my dream customers? Because if you aren't doing this on a regular basis and you aren't viewing your company through that lens, and you aren't reaching your financial goals, this is 100% the reason why. You are not focused on revenue-generating activities, RGAs – revenue generating activities – that are actually growing your business and moving them forward. I am going to help you identify the things that are not moving your business forward.

I have learned this from several people. I think originally I did this exercise in the 7 Habits of Highly Effective People by Stephen Covey, I think that's where I did it, I might be wrong, but then I also did it again with Todd Herman in his 90 Day Year program, and I have done it many times just on my own, and we also train a similar type of exercise in the courses that we run over here at Flourish and Thrive Academy, but it's really about time optimization, how you're using your time. As the chief visionary officer of your company, regardless of the type of company you have, if you have a fashion brand or a jewelry brand or any sort of creative brand, you should be focusing your time on the activities that bring in \$1000 an hour. If you were to think like, what can I bill \$1000 at? And if you are working on your self-worth and feeling like "I can never charge \$1000 an hour," pick a number - \$500 an hour, whatever it is.

What are the things that you are focusing on in your business that actually bring in that kind of revenue? If I were to think about what I do for my business in order to do that, some of things are long game. They are not necessarily short game. It would be developing the content that we're actually putting out in the world to sell. It would be delivering the content. It would be delivering master classes that help grow the business, master



classes or Facebook Lives or video content, YouTube content, whatever it might be, whatnot. I'm thinking about my jewelry business, the things that I would be doing would be asking my current customers for referrals, sending out email campaigns to get them to respond to the messages that I send out.

Since I have a custom business, I am not necessarily trying to sell product on my site, but it would be more like, hey, let's get a custom piece of jewelry started. I'd deliver a value email, and hit reply to this email or fill out my form, let's get the process started. I'd be making a plan and posting regular content on social media and connecting with the people who are reaching out to me about that, and since I don't sell to stores, if I were selling to stores, I would be reaching out to at least five stores a day, either for reorders or for new accounts because that is something that I would recommend anyone who is thinking about doing wholesale to do, but in the direct consumer business, it would be about also creating strategic partnerships with other brands, brand collaborations, brand partnerships, reaching out to get PR coverage or media coverage, reaching out for guest blogging opportunities, reaching out for basically the whole gamut of things that we can possibly put together. So as you're thinking about this, I want you to make your list of what are the activities that I'm actually doing.

Now, as business owners, and especially if you have a product-based company or jewelry company, getting the product made or design made and sampled is an important part of actually growing your business, and I would say that that is one of the strategic things that you're doing, but there is a balance because if all of your time is spent making jewelry and it's not actually selling it, or making your product and not actually selling it, or making your handbags and not actually selling it or your dog food, and I'm starting to talk about different types of things besides jewelry because I've had so many people walk up to me at events and say I love your podcasts, and I'm like, oh, what's jewelry brand name, and they're like, no, I have a dogfood company or oh, I have a handbag company, and I just love what you're teaching because it's really relevant to all businesses. So, thank you if you're not a jewelry designer listening to this podcast! It really helps me!

But the other things that people, I feel like, focus on a lot, are things that are maybe the \$5 to \$50 an hour tasks, and sure, in the United States, \$5 an hour is below minimum wage, but if you're thinking strategically and



you learn, like we teach you over here to outsource the stuff that doesn't need to be done by you. You can hire an offshore virtual assistant who can actually work for \$5 an hour, and it is a great way to get stuff off your plate that doesn't require you and your brilliance to actually get done. These are the types of tasks that anyone can do – like filing, organizing, uploading images to your website, website updates.

All these things can easily be outsourced, things like bookkeeping, admin work, organizational items, systems organization like some of these things will need to start from you, but they can be delegated out and anything that is not highly leverage in your business over time needs to be delegated, and so if you spent your time on the 75% rule, spending 75% on the things that are bringing money into your business or developing collaborations and exposure opportunities for your business, then you will have the extra income that you need to actually hire, and if you think about it, for outsource, and I say that because you don't need to hire a full-time employee, you can definitely bring on a freelancer.

In fact, many of my businesses have been built starting with freelancers, and then when I have more time, I either hire those freelancers as a full-time position or I find someone else to replace the freelancer if we need someone who can commit more time to it, they replace that person as an employee. I've done this for years. I've done this since the 1990s, and it has worked really well for me.

One of the first things that I did to help grow and scale my business from a company that was making really basically minimal dollars in the first year, I mean, I think my first year in business, I made \$50,000, but I tripled my revenue every single year for the first 3 years, I think until I was doing about maybe \$250,000 to \$300,000 in revenue from my jewelry brand every year by hiring people to help me make the jewelry, I was not the person doing production on my wholesale accounts.

That is something that can easily be outsourced by you too, and if it's not making the jewelry, there are lots of other things, but I think the one thing that people are always trying to outsource first is the 75%, but as the leader of your company, you are responsible and in charge of the strategic partnerships and relationships that you make because any sort of buyer/consumer would prefer to work with you. This is not to say that you can't get help or support in that. You have to develop this business muscle or else maybe reconsider being in business because if you're trying to



outsource being the CEO or the visionary of your company, and you don't have someone in a partnership that is actually going to have the same level of skin in the game and commitment as you are, you will always be in a Catch-22. I find that most small businesses that are starting out, especially when they aren't at a place where they're making at least a couple of hundred thousand dollars in revenue, they will never have the kind of money that they need unless it is someone who is really coming in and helping build the business.

They will never have the kind of money that they need to hire the right person in that role until the time comes that they are making enough money, and if you want to outsource sales, like if they feel like the first thing people want to do is outsource sales and find a sales rep to do the sales for them, most sales reps aren't going to consider you until you're doing a couple hundred thousand. They want to build off an already established brand, not someone who is just starting out. I got my first sales rep when we were already on track to doing over \$150,000 that second year in business. It wasn't right at the beginning. Every single store that I talked to said that most sales reps wouldn't even consider me until I was in enough stores, and so this is something that if you are serious about running a business, that you need to be focused on. It's growing your business, focusing on that 75% rule of the things that bring money in to your business, not the things that are keeping you small and not helping you grow.

With all that being said, I'm going to wrap up today's episode. This was a little bit of a different kind of episode because usually I have all those bullets and teaching points. It is really more of an inspirational podcast today for you. Really reconsider what you're doing. I want you to do this exercise: You can make a grid on a piece of paper if you'd like, and breakdown several columns like \$5 an hour, \$15 an hour, \$25 an hour, \$50 an hour, \$100 an hour, \$500 an hour, \$1000 an hour, and identify and start tracking everything that you are doing every single day and put it into a bucket or a column, and if you could hire someone to do what you're doing for a lesser amount, you should consider it over time and focus on the things that are the \$500 and the \$1000 an hour tasks that are actually going to continue to grow your business over and over and over and over and over again that put the systems that you scale and grow.

This is not about creating a massive huge empire, and I know some of you are probably rolling at your eyes at me, like, but Tracy, I don't want to grow



a big business, and some of you are like, yeah, Tracy, I want to grow a big business, thank you for this. It doesn't really matter where you are if you keep thinking about yourself as the technician in your business. Like Michael Gerber says, you'll never get beyond your current situation or it will be really hard and you'll always struggle. Trust me, I've been there, done that, have done it for many years, and while I'm really resourceful and I was able to make sales, things inside my business struggled for a long time until I got this right, and so it's my mission to really help you to get this right and think about your business in a different way.

So, thank you so much of listening today. This has been a fun episode. If you're interested in hearing a little bit more about how we can help you over at Flourish and Thrive Academy, either with our SOS Accelerator Program, working to get more customers, direct to consumer, or you're interested in learning more about how to train your customers to buy from you online in our 12-week workshop, I'd love to invite you to join us for a strategy session. You can head on over to www.flourishthriveacademy.com/Strategy, and we will have all this information also over at the Show Notes, and I'd love for you to share the podcast with a friend. We are coming up on our 200th episode. We are going to be doing a slight rebrand. I'm going to be talking to a slightly bigger audience with the same amazing value. I'm excited about it. I'm going to be hopefully getting together a new little pre-roll for this podcast, and so I'm really excited to expand the message, expand the audience, and really help you become a creative who rules the world, and if you haven't checked out my new website yet, I'd love to invite you to download the visionary code audio, and so if you want to step into your brilliance at the chief visionary officer of your company, head on over to www.creativesruletheworld.com/VC and download the visionary code audio right now.

Thank you so much for listening as always, and thank you for sharing this podcast with your friends. If you haven't done so yet, your ratings and reviews really do help fuel the awareness about what we're doing over here, about what I'm doing, what you're doing, and to help you kind of get to that next level, so I'd love for you to pop on over to wherever you're listening to this and give us a little rating and review about the podcast, whether it's over iTunes or Spotify or wherever.



In any case, I am going to sign off now, and I thank you so much for listening today. Take care until next time!