



How to Recession Proof Your Business

THRIVE BY DESIGN WITH TRACY MATTHEWS

"Economies are cyclical. You can't always be in a bull economy where things are going great so how do you recession proof your business to make sure that your business, number one, doesn't go under; number two, that you can weather the storm basically and recoup; and number three, still feel excited about your business at the end of the day?"

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 Thrive-by-Design. The podcast for ambitious, independent jewelry brands looking to profit from their products. Get ready to make more and sell more doing what you love without spending every single waking minute doing it. Hey, and if you're a creative fashion or product-based business, I want to welcome you to the show. I'll be dropping big tips on launching, growing, and scaling your business so you can spend more of your precious time using your creativity to make money. You ready? Alright, let's do this.

Talking about recession proofing your business is really close to my heart because if you've even listened to my story, you know that my first business was taken out by the Great Recession of 2008, called the Great Recession because for a lot of time, I had a lot of shame that my business failed during that time and now as we look back, I share my story, I'm interviewed all the time on other podcasts and other publications and whatever because of the work that we're doing over here at Flourish and Thrive and also because of the impact that reinventing yourself can really have on entrepreneurship and all the things, you know what I'm saying, and during that time, looking back...

When I'm talking to people, I've had a lot of shame about my business actually failing, and I was talking with a business coach a little while back, a friend of mine, and he was like, "Tracy, why are you saying that your business failed? Basically, you were taken down." And I was like, okay, so that's my new reframe: My business was taken down, and sure there were



some things I could have done better back then to probably recession proof it and probably save the company, and that's the purpose of this episode. I did make a choice. I could have continued working hard for that company, but I realized that my fire and passion had switched gears and it was time to move on.

So my goal here, is that if you love what you do, and you love being creative, and you love putting a product or something out into the world that is founded in your passion, then the worst thing that can happen is that you're not getting sales or money coming in and you feel like a starving artist, right? That's the whole platform that I built Creatives Rule The World around. If you haven't followed me over at [@creativesruletheworld](https://www.instagram.com/creativesruletheworld) on Instagram.

I'd love to chat with you over there. It's at just like it sounds: [@creativesruletheworld](https://www.instagram.com/creativesruletheworld). You can also find me personally over at [@tracymatthewsny](https://www.instagram.com/tracymatthewsny) or if you're not following Flourish and Thrive, I might as well just give them all, head on over to [@flourish_thrive](https://www.instagram.com/flourish_thrive) because on all 3 channels, I'm showing different types of insight and fun stuff. You get to see some of my jewelry on my [@tracymatthewsny](https://www.instagram.com/tracymatthewsny) one, too, which is cool, and I'm working on just limited projects right now so I love it when I get to release some fun jewelry pieces. In fact, I'm designing like 7 pieces for someone right now, just finished 4 of them, which is very exciting as you can see the behind the scenes of this epic heirloom redesign project, which was great.

The reason why this episode came about... I mean, it's a topic I've been talking about for many, many months now because I've been feeling a shift in how things are going. In New York City, if you're ever here, you see a ton... About 50% of the small boutiques and specialty stores are shut down, and it's devastating to me to see because people love boutique shopping, and how you get your products, if you're small, independent designers, in front of people who love to boutique shop, well, you have one choice, pretty much, if your dream client is hanging out in a city like New York, and that's to get in front of them online in some way, shape, or form.

So I was chatting with one of our students, someone in our community, and actually it's a duo, and we were messaging on Facebook back and forth, and they sent me a message that said, Tracy, we need to talk before the end of June, and I was like, oh, no, what's going on? I wasn't able to actually get on the phone with them because they're in my Inner Circle,



but they shared that a lot of things were going crazy because a bunch of wholesale accounts were closing, they weren't getting paid for their orders and I was like, "Oh, jeez, it's starting, it's starting..."

Because this is exactly what happened right before the Great Recession of 2008, and this is not freak anyone out, not to have a panic attack, but all those empty brick and mortar spaces, I don't know if you're seeing it in your hometown or wherever you live but it's a thing, and it happens because economies are cyclical. You can't always be in a bull economy where things are going great. We have to have these downturns to correct because we've had a strong economy for a very long time.

So how do you recession proof your business to make sure that your business (1) doesn't go under? (2) That you can weather the storm basically and recoup, especially if you are running credit card debt or have loans that you're financing your inventory with? (3) Still feel excited about your business at the end of the day? Because when there is financial pressure, sometimes that really crushes our passion for the thing that we love so much, and these times are really great times to think outside of the box and also reinvent yourself and your brand?

I don't want you to think that this episode is all doom and gloom. It is just some things that I should have really thought about when I was noticing these signs back at the end of 2007, early 2008, before September of 2008, when everything just went kaplooney. I can't even believe I just used the word kaplooney. I don't think I've ever used it before but there you go. New words all the time.

This is just, and this is not like anything to scare you and say I'm going to close my business and go get a regular job because here's the thing: The same thing is going to happen when we're in a weakened economy or we're having an economic correction, and I'm not an economist, so I don't know when and if this is coming or anything. I'm just feeling the foresights of it, that there are typically layoffs too.

Going to find a stable job is not necessarily going to be the answer either. It's really about protecting the assets you have, doing your best to continue to bring money into the business, reducing your expenses, and being smart about the way you're running your business. I'm going to walk you through some of those things, but I think the most powerful thing that you can do is really train your customers to buy from you online.



And here's the reason why: We know, in this day and age, and I was just reading an article on LinkedIn the other day by one of my contemporaries who works with high 7-figure companies, Elle Hill. I really like her. I met her at Conference, I guess a couple times this year. I think she is super smart. She scaled her fine jewelry company. She is one of the first people to do that online, quickly sold it. It was all based in the like specific technology that she was doing, and now she is doing some consulting for Blue Nile and these really big companies, and she posted in this article that in about 5 to 10 years – I think it was something like 5 to 10 years – 25% of all luxury items will be purchased online, and jewelry is considered a luxury item.

Guys, if you didn't know that, and many of you designing handbags and expensive clothing and those types of things as well, if you're listening to this podcast, and even other products, if you have luxury goods, the luxury goods market is thriving. It's like people aren't as afraid to spend money as long as they know that they can check it out and try it out and get their money back if it's not a right fit. They're more tempted to take that plunge, and so if you can capitalize on this opportunity now, before it's even a bigger thing that it already is, then you will have a leg up because what we know is that if you're doing things right, the cream rises to the top, and people want to buy from the people that they love and the people that are doing it well. So why not start now?

Here's the thing, as I'm recording this I'm actually in Wrightsville Beach, North Carolina. I'm down here for the Fourth of July. I usually record episodes a little bit further in advance than this, but I was a little bit backed up, and I was batching some content, and I wanted to make sure that I got this in for July because I do think it's really important. I don't think making sales online, as I just mentioned, is complicated. It's really about learning the right strategy and learning how to train people to buy from you.

And the one thing I noticed with designers, is that they overthink a lot of things. Instead of working on a system that can break it down bit by bit, piece by piece, implement it at their own pace, keep it going, and because of that, because they get so overwhelmed or maybe their website or their product is not in the right place yet, they just feel like it won't work for them, and then they want to give up, but I'm telling you that this is not the wave of the future. This is the wave of today.



It is what is going to be the norm moving forward, so if you don't figure this out and get this working for you, getting your customers to buy from you online, you're not consistently building your email list, you're not using strategic... the ideas and thought processes to actually get them to buy. You're not creating email content that actually has strong CTAs and is moving people to that sale. You can't learn how to do this, and you're not attracting the right kind of customer that buys online – this is another thing I see a lot – then you're going to be left in the dark.

We just ran a 12-week Intensive, and it was the first of its kind, called [Train Your Customers to Buy From You Online](#). You learn a lot from that first batch of students, and I am really excited to say that when the designers starting implementing it, amazing things happened. In fact, Kim, within the first 2 weeks, even though she'd only implemented a portion of what we taught her, had doubled her sales. It was pretty incredible to watch that and actually hear that because I feel like there is so much upside to being able to do this right.

Andrea said that before she started the Intensive, she was averaging about 2 sales on her website a month and amazed she had 13 sales and in June so far, when she sent this little note into us, she had 20 sales, and she has only implemented a fraction of what she discovered and learned and was able to implement in this Train Your Customers To Buy From You Online intensive that she is really excited to see where things go from here, and people like Tisa, who had really built their business on direct-to-consumer shows, like going in those events, really dove deep into this Intensive, and out of her last show, she got a bunch of people signing up for email lists, she's got her automation set up, and she hasn't even... Like her mind is so blown by everything.

She's revamping her website, and it's rocking, and she said that the one thing that this workshop really did was change her mindset and her hope for the future of her business, and so we decided to run this again. We were only going to do this once, but we wanted to really be able to support you because, guess what? Holidays are coming up, and before you know it, it's going to be the shopping season – you know, October is coming, November is coming and you want to be able to get your website and you prepared for the holiday sales season so that you understand this is really an awesome opportunity for people who are getting sales consistently already from other revenue streams, but they haven't really cracked that online code yet, and even if you are still trying to get to that



consistent sales marker, this will work, but if you already have wholesales accounts and a direct-to-consumer model and you're already making money in your business, this is just going to amplify everything that you're already doing, and I think that's why it was so powerful for Kim to back this up with a retail brick and mortar store, and this is so powerful for Tisa who already had a successful direct-to-consumer business online, and so powerful for Andrea as well.

I want to invite you to apply to this. This is pretty awesome. If you want to head on over to www.flourishthriveacademy.com/trainmycustomers, there are full details over there with all the deliverables, but basically this is really great for people who want to improve their overall business strategy so that when you take a vacation, nothing falls apart, which is exciting. I teach you how to do what I do. I take a lot of vacations, trust me on that. This is going to set you to dramatically scale your profits online so that you no longer have to worry about cash flow.

It's going to help get you ready to make real progress towards your goals and stop making excuses as to why your website log and newsletter haven't been updated or sent out or converted. We're committed to putting your best foot forward over the next 12 weeks so that you can at least 2x your sales online. For everyone it's going to be different. If you averaging 2 sales a month, obviously it's going to be easy to do like 20 sales, [laughter], and that's like 10x-ing your sales, but if you're doing like let's say 10 sales a month, we can easily get you to 20 sales, etc. Results will definitely vary. If you're like Andrea, she's getting [laughter] 10 to 20x results on her original sales, which is pretty awesome.

Anyway, if you're someone who is actually really serious about taking your business to new levels and not settling for good enough for another minute because you've seen it work for other designers and now it's your turn. One of the best coaches in this program is [Chelsea Farmer](#) of [Horse Feathers](#) Gifts. She is crushing it in her E-commerce business.

Every day she texts me, like, Girl, I saw this on this person's website. Is it okay if I tell them that they're messing things up or that they need to make a change, and I'm like, yes, Girl, yes! Please! Help them! Because she knows. She is one of those people who have been adamant and on top of it and scaled her business to over 7 figures, selling \$50 to \$150 product. It's pretty insane. The girl is a genius. If you are ready to get tons of leads coming in and really start converting those leads into sales, and if you're



committed to your success by implementing quickly and you're in it to win it, then I would like to invite you to apply because it's going to be awesome.

Here's the thing, this is not really for people who say things to themselves like this won't work for me or you're not willing to implement quickly or if you're going to be someone who really is just approaching your business like a hobby and you freeze under pressure or you're someone who if you have a setback, you can't recover from it with working on the mindset and moving things forward.

This workshop is really for A players, those who... And it's okay, we're going to hold your hand along the way. You don't have to 100% know exactly what's going to happen, but I just want to encourage you that if this is something that is interesting to you, this is really for those people who want to be successful online. It's not a magic pill. This is going to require tweaking, but what I do know is that if you implement and get this stuff in action it does work. It's pretty fantastic.

So I want to get into the episodes because we have some good stuff for you today, but if you're interested in learning more about what's working now to train your customers to buy from you online, head on over to www.flourishthriveacademy.com/trainmycustomers, and we will also have this over in the show notes over at www.flourishthriveacademy.com/episode201 and also on Apple podcasts.

So thank you so much for considering this because I'm really excited for this next round. It works out to be perfect timing. This ends right before basically November, so you're going to be fully prepared to have an epic holiday season, and I'm excited for you. We get to test things along the way to improve your Fall as well.

Let's dive into how to recession proof your business. Now I talked a little bit more about what it really takes to recession proof your business, and a lot of really has to... I want to just remind you – I said this earlier – the cream rises to the top in recessions or even flat economic growth, and so it's important for you to continue thinking ahead and not resting on your laurels, and when I said the cream, these are people who are forward thinking.

They are prepared for adversity. They are ready to do it what it takes to save and recession proof their business and stay ahead of the curve. Does that



sound like you? In your head, yes. You can say it to yourself, put your arms in the air and scream in your head, yes. If you're listening to this somewhere where you can comment on it, write a Heck, yes! In the comments below because that's how we roll over here.

The first piece of this, and I was kind of talking about this before when I was talking about the train your customers 12-week Intensive, is to diversify your revenue streams. The biggest mistake I made, and the thing that I saw these designers that I was talking about earlier in this episode who are really struggling, is they built their business around only wholesale. Wholesale is a great business model, but it is really hard to bank solely on wholesale in this day and age. You can build a trifecta brand in multiple ways.

You can... I think one of the ways that you must explore is to really have a robust E-commerce or online strategy, and there's the difference: An E-commerce strategy is for people who are selling a product that is easy to sell online. It can be fine jewelry, but typically fine jewelry has a little bit of a higher tax, so typically serious E-commerce jewelry businesses are slightly lower price point, and the fine jewelry price point, things that are higher or custom jewelry, is really more about selling online, and here's the differentiation: I was on someone's website the other day. I can't remember what it was but I was checking it out and doing a review and it had something like you could fill in the basket but you had to email them for a quote.

This is sort of like... This is going to require a customer interaction, you speaking to the customer and making sure that you're answering all their questions. That is totally normal for fine jewelry. You will get people checking things out of a shopping cart if you have it set up and you have ready to wear, but more than likely if you're selling things over \$1000 you're probably going to have to talk to people from time-to-time unless they already know your brand, which is the goal. We want to start building that 1000 true fans that I talk about all the time.

So diversifying your revenue streams, selling direct to consumer using your website as that tool, E-commerce or online depending on the price point of your jewelry is really, really important. I think wholesale is still a strong strategy, but you have to beware. If the smaller stores that you are



selling to are starting to go out of business, just note that that is going to happen over and over again in ripple effect.

The other thing about wholesale, when we hit economic struggles, especially if you're selling too bigger types of stores... I worked with a designer for years who had all of her eggs in an Anthropologie basket and she did hundreds of thousands of dollars a year with Anthropologie, and over the last 4 to 5 years, that has completely gone, and she waited too long to pivot and she is struggling. She keeps coming back for help, but she is doesn't want to invest in her business, she really wants to pivot, and she is struggling to do it on her own because she's a little bit older, and I'm like, "Girl, you've got to get it together." Like shake her in the shoulders, let's do this! Because when the economy is like softened, stores like Anthropologie or Nordstrom or these bigger stores that are great, they're cash cows when things are going well, they cut back their open to buy.

They're price conscious, so they're going to work with the people who can offer the biggest discount. This is when trends become really popular more importantly, then personal jewelry because it's more flash in the pan, and hopefully we don't go back to a place of like super-fast fashion because it's consumerist and wasteful; however, we could see another trend towards that. I'm not saying that will happen but I actually think the opposite happens in economies like this, when things start to flatten out or weaken, is that people really like to buy more special things, and I'm going to talk about that later, and this was very true after 2008 because I noticed that when I launch a new company doing personalized private jewelry commissions, my business grew really quickly because people were looking for something special, note to self.

So if you want to add a commissioned or custom element, as long as your price point is high enough I would not knock it because it's a really good business model to have. You can charge more for those pieces, and people love it. They love having something that no one else can do. And it would also really streamline the in-person events that you're doing, so if you are someone who does shows, more shows isn't always better.

I would pick the best shows and just dial in deep on those and really do your pre-marketing before. If you can segment who attends those shows and send out direct mailings and/or emails only to those people... a big mistake I see a lot of designers who do a lot of shows, especially people who get overwhelmed by tack and segmentation and stuff like that, is



that they send out emails to their entire list because they haven't properly segmented where people are going in from, and the thing that is challenging about this is they can be sending 3 emails in a week and only segment out the people who are in the area for a show, and target hard for that show, for that one segment of the list but while still selling online, and some people are just sending an email out to their entire list like for a show in Colorado when one of their customers is in California because they do a show there, and so list segmentation and being able to really segment the audience is important during times like this.

But dive deep into the important shows, not all the shows. We have a designer we worked with last year in our SOS Coaching Program, and her main goal was to reduce the number of shows, and she wasn't... The things that she was doing that were fantastic that really helped her online sales, but I remember her saying, at the last minute, she'd be struggling because the show that she was at, it was like snowing the whole show, and it was an outdoor show, and no one walks a show that's snowing that's outdoors, you know what I mean? [laughter] In Tucson, Arizona or in Arizona or wherever it was.

So you want to email... You don't want to put all your eggs in a basket of weather dependency and all those things when you never know what could happen when things start to soften. There are lots of things that you can do but think outside of the box. You can start a really solid, private trunk show direct-to-consumer model where you're hosting trunk shows in your home or locations where you invite your best customers to shop. I just want you to think outside of the box.

There's a quick exercise you can do here: Think of all the ways that you sell jewelry, think of the ways... Once you identify those, you can actually breakdown how much money is coming from each of those revenue streams, and if you're working like a smart jeweler or jewelry designer like we teach you to, hopefully you're using QuickBooks or Xero, and you have your income divided by revenue streams, you can see where most of the money is coming in. You can dial in on the things that are going well but also focus on the areas of opportunity like selling through your website. So much opportunity there.

Ask Chelsea Farmer of Horse Feathers Gifts how much opportunity there is there. There is so much, and that girl is crushing it, selling direct-to-consumer online. You can too, my friend, and so I just want to



remind you of that because this is a really powerful time. So dial in deep on your revenue streams, get clear on where the money is coming from. Count out anything that's kind of a waste of time, and then look for those areas of opportunity that you can really dive deep in to make more sales.

The second piece of recession proofing your business is to get rid of extra inventory. Inventory is like cash. Cold, hard cash. And the biggest mistake I ever made was having a ton of inventory on the shelves – you hear me talk about this all the time – and I thought I had maybe \$50,000 in inventory, and I had \$150,000 when Phil, my consultant, asked me and that is equivalent to like almost \$300,000 or \$400,000 worth of product once you have made goods, and so my objective during this period of time when my business was struggling was to get rid of it. I did an entire blog post on this. I'm going to walk through some of the things, some of the key highlights.

You can check it out on the blog. I mean, I have the link to that post. It's called 14 Ways to Reduce Your Inventory. That's on our blog, and I'll have a link in the Show Notes here, but I also did [Episode 37 on the Thrive By Design podcast with Inta Ivans](#). She talks inventory reduction strategies too for independent jewelry brands and, quite frankly, any product-based company. If you have inventory for jewelry, it is a little bit slightly different in a way because there is a real value because gold and silver and all those things are commodities, and you can actually exchange and sell those things for money. You probably can't do that as easily with like fabric. You might be able to re-sell it, but the perceived value might be slightly different.

There are just different ways that you can approach this inventory reduction strategy, but the first, one of my favorite ways to get rid of stuff is a sample sale. Get rid of all your old samples. I would even make products for these sample sales of like the old beads in boxes, and we'd sell things for super cheap. Even if I was selling it for my exact cost or even a little bit below cost, that was better... \$0.50 on the dollar, as Phil used to say, is better than something collecting dust on the shelf that is like tying up cash. So have a sample sale in person. You can host them all over, like call up your friends in every single town and ask them to host and do a sample sale for your clients. If you have any press or anything like... Speak it up... Like any of the celebrities wearing your work, you name it, go for it.



You can also host a flash sale on your website and just have it for a limited period of time, maybe 3 days. You can open it up to your VIP customers the day before, and then open it up to your entire list or other people on social media, etc., for 2 days later. You can do this also like sort of a flash sale on a Facebook Live event. There are so many ways to host flash sales and sample sales. You can also do a flash sale on an established flash sale site. There are so many now. The ones back in the day were like Gilt and HauteLook. There are so many now. Google around and see if there are any independent flash sale sites that you can offload extra inventory on.

You can also product limited edition pieces that are exclusive, and I even did an episode about dropping one-of-a-kind limited-edition collections with Alex Camacho. It's [episode 201](#). I will link it in the Show Notes, and it's awesome. You can just go back in the archives on Apple podcast or wherever you're listening to this podcast and check it out, but she talks about her formula.

She has built a great business. When she came to us, she was only on track to doing like \$75,000 that year; she crossed the year doing like over \$100,000. I think maybe she ended like \$104,000 or \$110,000 because even when she reported to us, she had sold more after, so I think she ended that year at about \$110,000. She just had a \$17,000 month. The girl is crushing it like crazy. I wouldn't be surprised if she hit \$200,000 this year, and she doesn't have employees or anything. She is doing this all herself, and her jewelry, it's not inexpensive, but it's not thousands of dollars. She is really doing a great job. So that model has worked really well for her, drop one-of-a-kinds and get people to buy into so you can use up your old inventory to do that, you can post trunk shows at your friend's homes or offices.

One thing I did... I had a friend who really loved my jewelry, and I would do jewelry exchange. She would bring a bag of jewelry around her office, sell it to her friends at the office, and after she hit a certain number, she would get jewelry for free. This is a great way to create ambassadors out of your friends, have them sell at the office spaces, host a trunk show with their friends and families, all those things.

If you sell wholesale, you can send pick boxes of extra inventory to your wholesale accounts. Maybe if they buy a certain amount, they can get a piece for free of whatever it is or you can sort orders. Just call them up and say, hey, I have this extra inventory. I'm offering it at... A lot of times, if you



just give a little bit off, it gives them an incentive to buy it, and I'm not a big discounter, but if it's extra stuff and it's old inventory, this is a great way to do it.

You can also create pre-packaged... This is sort of like of combined... You can send pick boxes of regular merchandise to your wholesale accounts for immediate delivery. This is with your in-stock, maybe current items – let me back track. You can also do pre-packaged off-price assortments for wholesale clients, and this is what I was talking about sort of before, where you give them a slightly off-price assortment that is like a little bit less; maybe it's your designs but with stones that are old or something like that, and give it to them. The terms are like you pay up front with a credit card, and that's a great way for them to get a better value on the jewelry they already know and love and sell already.

You can bring your old inventory to your craft shows or any of the art fairs that you do. I used to love to have like a box of \$10 items that would go like hotcakes. Just another way... Or you can do like a buy 3, get 1 free or something like that... It's a great way to get rid of extra stuff. You can also develop off-price collections to sell to off-price stores. This is really more for bigger established brands because if you're doing less than a couple hundred thousand dollars a year, this will not make sense to you just because you need to probably be selling a volume at that scale.

Let's see... You can also find a local liquidator. There are companies that oftentimes will liquidate collections and sell to you off-price stores. That's something to think about. There were a couple back in the day, but just do your research and see if you can find off-price places or consignment stores to sell merchandise. You can offer a gift with purchase on your website, have basically if you buy something, then someone gets a free piece of jewelry, and that can be your inventory reduction strategy.

One thing that I did as I went through and any of the materials that I wasn't going to use, I either de-stashed or I sold the raw materials by either refining the metal or selling the beads to someone else or something like that. If you have things that you can return because it's under a warranty that you over purchased, try to return them for credit towards future orders. Certain bigger companies would probably do this



as long as the lot is not opened or broken, and then you can also get a tax write-off by making donations.

I remember a time when I did a jewelry-making class for the Big Brothers/Big Sisters organization – this is probably like 10 or 15 years ago – and we used a bunch of old beads. I donated it to them for their use, and then I got a nice little tax write-off. So those are some ways to reduce your inventory. I have this all fleshed out in a blog post so you can check it out in the Show Notes.

As I mentioned before, the cream rises to the top, and the one thing that I noticed with designers who struggle, especially when it comes to selling online is that a lot of times, they don't have a collection that is fully developed or their product is not elevated enough, and what I mean by elevated enough is that there are a lot of jewelry designers out there. I one-hundred percent think that there is room for all of us, but when you are viewing product online it needs to look elegant, it needs to look like it's highly designed, whether your product is \$10 or \$10,000. It needs to have a designed quality to it. It can't be shoddily made. It has to be innovative and all those things, and I really do think this is important. It is going to become more important that you elevate your designs.

And here's an example from my own life: When my sales started to weaken in my company in the beginning of 2008, I started trying all this stuff that wasn't really me, and I started designing things out of brass because people were wanting a cheaper price point, but that wasn't my zone of genius, and I really got off track, and my sales suffered because of it. So I want you to think twice about the materials you're using.

Can you charge... I got a request from WJ, a mentor designer, and I was looking at her website, which was so janky, it looked like it had been designed in the 1990s, no offense, but it did. It had like this weird wallpaper. It looked like it was a GoDaddy site. The navigation was wonky. It wasn't clean, crisp, and clear, and if you look at the top seller selling Shopify sites or even top brands that you shop from, their websites are really clean and modern looking, and your website has to be modern looking if you're trying to sell \$1800 pieces of wire-wrapped jewelry on your website. I'm sorry, but you have to.

My thing... This particular designer, her designs were beautiful, but some of them, they looked... The perceived value wasn't there because... She was using really elevated materials but was sterling silver and charging



thousands of dollars, and while I know why she's charging that much because of the labor and everything that goes into it, the perceived value from a consumer's perspective might not be there if she is not using gold. If all the pieces are connected with wire wrapping, and she is charging... I think it's different to buy a wire-wrapped necklace that \$300 versus a wire-wrapped necklace that is \$1800.

Totally different story, but the customers who were buying those things, even if they're buying a diamond or sapphire necklace, if it's wire wrapped, like the wraps have to be really good. It has to be on a Dana Kellin sort of brand level that it's like high design in those pieces, and so that's something that I want you to really think about, and while it's hard to say to people, I think that anyone can up-level their skills. Like I started my business making pieces in a jewelry-making class back in the day and launched a business selling wire-wrapped jewelry in the beginning and beaded jewelry, and then elevated into eventually fine jewelry, and now I design engagement rings and wedding bands and heirloom re-design.

So it doesn't matter how you think about yourself and your skill set, anyone can elevate your skill set, because I can tell you, if I can, anyone can. It's not necessarily about increasing your price point, but it's getting the perceived value there and your skill set to a place where people can understand why you charge the prices that you charge or charge enough so that you're making that profitability standpoint. So elevated design is going to become even more important and up-level your skill set during this time, and that includes photography too.

This is sort of on a side tangent. This wasn't really a bullet, but if you want... Another thing that needs to happen, and I'm going to group this all in the design piece, if you have a janky website that's built on a platform that is not Shopify. In most cases, you are doing yourself a disservice if you're selling E-commerce. My website, full disclosure, is on WordPress, my jewelry website, but I also don't do any E-commerce.

No one can click a button and add something to a cart on my website at this moment, and if I ever launch E-commerce collection it will be delivered on Shopify 100%, but there is a lot of other things that I'm doing with my website that I need that WordPress functionality, but the majority of designers who sell jewelry do not need that.

Even [Jennifer Dawes](#) who is selling anywhere from 1500 to 25,000+ fine jewelry items, is selling on Shopify, and if you're not on that platform, you



are doing yourself a huge disservice. They have very clean templates. They have low membership starting points. You can even get a free trial if you head on over to www.flourishthriveacademy.com/Shopify and jump in and test it out, but there is so much, and as your business grows, it's so robust.

That's the start, and then the next piece of this, as part of the elevated design piece goes, is you need the photography. You can't take crap photography that is sized the wrong way, that is blurry when you post it online, that's not formatted in the right proportions. Do yourself a favor. There is another podcast that I did with Karina Harris about doing a photo shoot on a budget. It's [episode 169](#), and it's with one our students, Karina Harris.

She has been in our community for a long time, and she has some of the best photography I've even seen. She is a solo business owner. She has a couple of people working for her now, some part time, I think one full time or fuller time, maybe I should say. She does an excellent job at photoshoots, and every time I see her website redone, it's incredible. She has done a great job. You need great photography if you want to attract people to buy, and if you don't have those things in place, you're not going to make sales, and you're not going to make them online for sure, so... [laughter] Just saying... Just saying...

Okay, so elevated design all around, not only just products, but website photography, all the things.

The fourth piece of recession proofing your business is to set some cash away in your business savings. I did a podcast interview with Mike Michalowicz all about his profit-first method. It's [episode 161](#). I did it last summer or we launched it last summer, right before his new book Clockwork was coming out. Both books are excellent, grab them both. The thing about this is that one of the reasons that a lot of small business owners and entrepreneurs are broke is because they are not saving any of their profits, and so with profit first, it's a pretty robust method, but you want to make sure that you're putting 3% to 5% of your profits away every single month, and that you're automatically saving money for taxes and all the other expenses of your business.

Mike talks in-depth about the types of accounts and you can pick up the book where he gets a little bit more in detail or listen to the book on Audible, and it's a really excellent book, but this is really an important time



for you to have cash away so that later, when you need it, you either have money to live on or you have money to reinvest in your business. When things are good, put some money away.

The fifth part of this is to reduce unnecessary expenses, and what do I mean by unnecessary expenses? I would do like, occasionally every couple of months, we do an audit on all of our expenses. In fact, we're really trying to reduce our tech expenses because I feel like we're a little bit bloated on the amount of things that we're paying for right now. In fact, I just canceled my paid Planoly account because we didn't really need it. We can do everything that we needed for Planoly because we're not scheduling from the app, we're just using it to plan the grid, can be done in the free version so that \$10 a month can add up over time.

The only exception to this, and I really feel firmly about this, is education and mentorship. If you're involved in a community or something where you're paying a recurring monthly investment or something like that, and you're getting business help out of it or like some ROI, then those things you don't want to cut because those are the things in these times that are going to help you scale and continue to evolve that community support piece.

So anything that is an unnecessary luxury that doesn't save you time, help you automate a process, teach you something that you didn't know or give you insight into a problem, you need to get rid of it. Those are a couple of areas that saves you time, that helps you automate something so that your time is freed up that also has to do with time, that teaches you something that you didn't know or gives you insight into a problem – if it doesn't do one of those things or make you money, I'm going to add that there – then get rid of it.

The sixth piece of this puzzle is to invest in a consultant or join a coaching program before the shizz hits the fan, and here's what I mean by this... I have been courting Phil, or Phil had been courting me – one of the two – my consultant back in, I think it started in 2006, right when I moved to New York City. I was involved in a couple of business networking groups, my sister had met this woman, Dawn.

Dawn came in and said I think you should talk to Phil. They came in, and gave us an offer, and all I could see were the dollar signs of how much it cost. That's all I was looking at. I didn't think about what the ROI was going to be because typically when you need a consultant, that extra



money isn't always there because if you had all the extra money, you probably don't need, and I'm not saying put yourself in financial hardship – I never would say that – but the thing that was interesting to me is really a mindset shift as I didn't understand or see how investing back then would have made a huge impact when things started getting really hard. I mean, I see it now because hindsight is 20/20, so you want to learn from my lessons, this is the best thing to do.

But the one thing that I will say about any investment that you make in a business coach or mentoring program or in a coaching program or a consultant or anything, is that sometimes you're going to see an immediate impact and a change and other times, there is more of a lasting benefit in ROI that comes down the road. So it's important to stick with it. Every time we used to run our Mastermind Program, there were students who...

There are just like people who have this natural ability to make things happen in their business, they were the ones who always got the quick wins and had massive results up front, but not everyone is like that. It's really dependent on a personality type. I would say I'm sort of like that a little bit more, but I know Robin... I think she would be okay with me saying this – she has more of a personality type where she needs to let things soak in and meander a little bit before she can take action and move forward.

But the thing is, is that whether you're someone like me who is super-fast or someone like Robin who is slightly more methodical in her thinking or somewhere in between, the lasting benefits of getting consultancy and help is really powerful and here's the reason why: It's because I would guarantee you that anyone who continued plugging away at their jewelry business who joined us for one of our high-level programs, has seen a direct result in sales and efficiency in their business and business growth and development, like 6 months, 1, 2, and 3 years out of the program because what they learn in the program that they're in magnified down the road.

These are things that I think are really important because if you can tighten up your tool belt now and get your skill set really strong and really in chart of your business and your company now, then down the road, you're not going to struggle like others might, and you'll have that impact



and the long-lasting reward of getting that business help, mentoring, coaching. We see this every day for members who have been in our Diamond Insiders Community for years, in the Diamond Insiders, that's our membership community, and - I like to call it a mentorship community - and that's where we have... It's basically community driven, but the community really rises up to help everyone else in there and we have some head coaches who work in there, Sarah, Nicole, and Dawn, who are working with the students because they studied our methods.

They've implemented it in their business themselves, and they've all got massive results. All their businesses are in a much better place since they started with Flourish and Thrive Academy and because of the work they were doing on their business, we hired them as coaches to help other designers. It really does work and there is always a lasting benefit to growth and continuing. It's pretty awesome!

So I just want to say that you got this, and I want you to really take your business by the reins... I was going to say something else, but I'm not going to! Go for it, be proactive about recession proofing your business. Set it up for success now so that if and when we see something soften in this economy, that you're going to not feel such a harsh impact that it will maybe be a light blow, maybe it won't be any blow, maybe you'll even see an increase in sales because I saw a lot of people in 2008 taking off during that time. It just depends on how you look at it.

With that being said, I'm going to wrap up today's episode, and if you'd like help really strengthening your business to recession proof it and get a leg up on the holidays, I'd like to invite you to train your customers to buy from you online. It's our 12-week Intensive that is perfect for people who are really ready to magnify their impact and to connect with those perfect customers who already know and like your work or don't even know you and like your work yet [laughter], but to maximize your impact of what you're already doing online so that you can get more sales, get better conversions on your website, and through your email newsletters and all the things that you are doing and just all around make more money because at the end of the day, I feel like if you do the math and you listen to some of those results that I was talking about earlier, Andrea had averaged 2 sales a months, and then she goes from that to having like 20 within the first month, and then even more than that in the next month or 13 in the first month, 20 in the next month, and even more than that



hopefully in July. Those lasting rewards of that are going to make a big impact.

It's just about doing the work and implementing. So if you want to learn more about that and apply, you can head on over to www.flourishthriveacademy.com/trainmycustomers.

Thank you so much for listening today! This is Tracy Matthews signing off. I'm looking forward to supporting you and helping your business flourish and thrive!

Thank you so much for listening to today's episode. It's my mission to help thousands of creative businesses, inside and outside the jewelry space, use their creativity to make money. Make sure that you're subscribed to Thrive-by-Design on iTunes, Spotify, Stitcher and wherever podcasts are played. We would love to hear what you think, please rate and review the show. If you're inspired, please share this with your friends. Here's to seeing you flourish and thrive.