

Matthew Paulson

Announcer: Welcome to the Eventual Millionaire podcast – with your host, Jaime Tardy. Real talk and real advice from real millionaires, with a sharp focus on you – the Eventual Millionaire.

Jaime: Welcome to Eventual Millionaire. I'm Jaime Tardy and today I'm super excited to have Matthew Paulson on the show. He's a serial entrepreneur – I knew him beforehand but I had no idea how many companies he has had. He also just released a new book called "40 Rules for Internet Business Success" and he is so graciously giving away the audio book for free so make sure you go to the website at EventualMillionaire.com, click on the link and you can get the book for free. Thank you so much for coming on the show today, Matthew.

Matthew: Thank you for having me on, Jaime.

Jaime: Normally I ask about expertise and all of that fun stuff and you told me that yesterday you were dealing with your opt-ins and you got 900 and something opt-ins yesterday – so we're going to be talking about for most of the show because list building is huge. So before we jump into that I want to go over how you learned how to do this. You have an e-mail list of about 90,000 for just one of your companies, right?

Matthew: Yes. It's definitely been a learning experience. When you first start you put one text box on your website and then you think 'I could do better if I had two text boxes, or if I had this popup, or if I showed the popup once every three days instead of every seven days or if I just asked for their e-mail address instead of their name and e-mail address I will get more opt-ins.' So it's just been a series of experiments over the last five years and the opt-in rate just gets a little bit better each time. After a while, when you have an incredibly relevant offer, you show it at the right time to the right person, it's just really easy to get an e-mail address and if you have a backend for that, like what kind of product you have and a good auto responder series, there's definitely some money there. I know that everyone that signs up for my newsletter will be worth \$6.63 to me over the course of two years so if I get 900 opt-ins at \$6-7 that's good money over a long period of time. It's going to be 2016 by the time I capture the full value for yesterday's opt-ins but it definitely snowballs over time.

Jaime: It means you have one focus, which is list building, because you know it's going to happen. Tell me this – did you know this stuff five years ago? What was your background? Were you a geek and knew conversion stuff beforehand?

Matthew: No. I started in 2006 when the cool thing to do was to start a personal finance blog, because everyone was doing that then.

Jaime: I did that too – we're so cool!

Matthew: I figured out I wasn't going to be the next J.D. Roth, I just didn't have it in me, so I needed to find something new to do and I was pretty good at getting traffic for investing content so I moved in that direction.

Jaime: How did you find that out? How did you know that you were pretty good at that?

Matthew: I had this site called American Banking and Market News and that had gotten into Google News which meant it got into Google Finance so whenever I wrote about City Group, that was having some issues during the recession, I would get a ton of traffic from it so I wrote more about that company, plugged in a stock ticker and just did that for a lot of other companies too and within a year of figuring out that strategy and also figuring out MSN Money and all of the other financial sites that send traffic to people like me I got to a million page views a month. Having that amount of traffic was great – the advertising revenue was very good – but I knew that if the traffic ever went away I would be screwed; there was no backend, no customers. I didn't want to have a business that was 100% reliant on advertising so I knew that I had to build an e-mail list for something. I thought 'What can I e-mail people?' I had this database of stock ratings that investment analysts put out so I thought I would compile it and send it out in an e-mail every day and see if anyone would want that. Turns out people did – six months later I had nearly 10,000 subscribers.

Jaime: How much was the newsletter?

Matthew: It's a freemium model, so it's a free newsletter that you just put your e-mail address in and get, and then there is a premium newsletter that's \$15 a month and you get it sent to you earlier in the morning and there are some other premium features that people seem to want.

Jaime: I love this. Diving back in – I know this was quite a few years ago and we'll definitely talk about things now – but back then, you just found a traffic source that worked, you had no business model, you just threw up some advertising and that worked, and when you had that you knew you had to diversify because you didn't want it to go away so you wanted to sell something – how did you actually pick the freemium model, with the \$15 subscription, and how did you figure out which features they would be willing to pay for?

Matthew: When I started the free newsletter I just wanted to build an e-mail list, I hadn't thought about turning it into a product yet. I had been getting a lot of feature request and people kept wanting me to add stuff to the newsletter and it was taking up a lot of my time and I thought if I was going to continue to do it I needed to get paid for it so I sent out a survey saying 'What don't you like about the newsletter? What would you like to see?' and a lot of people said 'I want this before the stock market opens in the morning, that way I have time to read it and see what the news is to get my trades in,' some people wanted some more specific news about the stocks that they owned so I set up a feature where they could create a watch list and get the news for their specific stocks, some people wanted it formatted differently, some people didn't want to wait for the newsletter to come out, they wanted e-mail alerts for the stocks that they owned, so I just took the top five or ten features that had been requested and put them into a separate version of the newsletter and said 'Here it is – pay \$15 a month and it's yours.'

Jaime: How many people signed up the first time you sent that out, do you remember?

Matthew: In the first month there weren't many – I think it was about 25.

Jaime: Good! People want to hear that – it was only 25, it wasn't amazing and you made so much money. Did you think 'This isn't worth it,' or anything like that?

Matthew: It was just another thing to do. I didn't think that it explode over time but then I didn't really know how to do the e-mail marketing, I didn't have the product dialed in to just where it

needed to be. I was only taking PayPal, I wasn't taking credit cards, and apparently that makes a huge difference in the financial world – people want to pay with credit cards.

Jaime: And this wasn't even your content – you were aggregating content. You didn't come up with all of these things; you're not the expert.

Matthew: No, I'm kind of the anti-expert. I compile the data and send it out. It's really a modern day news clipping service. Twenty years ago people would be following a company and they would have somebody clip out all of the articles about that company in the newspaper and now I can do that with software and a whole bunch of data feeds that come into my database, format it and put it into this HTML newsletter that people get every morning. The software sends it all out so I don't have to think about it; it's a machine that runs itself.

Jaime: So are you a programmer?

Matthew: Yes.

Jaime: There we go.

Matthew: I had a computer science degree and that worked really well for financial stuff.

Jaime: Yeah it did – because you were like 'I can do that, I can do that,' so that way you didn't have to be the expert at all, you could just aggregate the data, which worked out really well for you. So tell me the timeframe of that premium newsletter - from your first 25 to now.

Matthew: That launched in July of 2011, I think, so that was seven or eight months after I had started collecting e-mail addresses. The first year I think I had maybe \$20,000 in recurring annual revenue; the second year was \$90,000 and the third year, which was last year, was \$210,000 and I think I'm up to \$300,000 now.

Jaime: The same amount of work, too.

Matthew: Yes.

Jaime: That's awesome.

Matthew: I figured out some other monetization streams – it turns out there's really good money in sending e-mail for financial advertisers. It's like \$40-50 CPMs times 100,000 people so that's \$4-5,000 every time I send an e-mail out on behalf of the Motley Fool or someone like them. It's good money – I can't complain about it!

Jaime: So list building is really the way to go. When you started your other companies did you just take the information that you had about list building and start applying it to other pieces?

Matthew: It varies a little bit. I run a company that helps animal shelters raise money through some software that we built. There is no way that we were going to get animal shelters to sign up for our lists but there are these directories out there of other animal shelters and if we send them just one e-mail a month nobody is going to complain about that so we say 'Hey, here's this piece of software that we have that can help your organization raise money. Here's what these other shelters have done. Come and check it out.' No one has ever complained about being spammed or anything like

that and I think we've done more than a hundred contests in the last year and we've helped shelters raise more than \$700,000. It's e-mail marketing in a slightly different way but it has also worked quite well.

Jaime: You're using all of the tools and the information that you had before – that's awesome. We now have to get to the nitty gritty because we're talking about list building like 'It's amazing – I send one e-mail and make \$4-5,000! How easy is that?' and everyone wants to know how to do it too. So tell us, besides that one traffic technique that you stumbled upon at the beginning, because no one wants to hear the stumble upon story, how you actually do it tactically. Tell me what's working right now in list building, considering you got 900 opt-ins yesterday – I'm jealous!

Matthew: Every two or three months I try to experiment with something new. If I can buy e-mail for under \$3 that's a good buy for me. A couple of years ago I set up an AdWords campaign, I tried to get my content into Twitter in a meaningful way, with the cashtags that they have – instead of a hashtag it's a dollar sign and it's news about their stocks – I've got a guy doing a Facebook ads campaign that I thought would be profitable but we'll see. One thing that has worked really well for me that most people don't do is co-registration advertising – that's basically where, if I signed up for your list, there might be offers for John May or whoever else's list right after that, so they check that and John might pay you \$2 to get an e-mail address. That's a good way to pay for e-mails – you kind of know what you're paying for.

Jaime: How do you track that? What does that look like? If I were to do that, could you break it down a little bit?

Matthew: So the one person in the internet business space is this company called After Offers – it's Tim Bourquin, he's got that going, you can pay 50c per e-mail address, like on the Empire Flippers website they're running it, so if you sign up for the mailing list you'll see an opt-in mechanism to sign up for other people's mailing lists and they will pay 50c for those e-mails. So if you know you can make more than 50c from those people that's worth it.

Jaime: That's awesome. You were saying as long as you buy less than \$3 but that's only because you know what the lifetime value of a customer is – so if you know it's \$6, you're willing to pay \$3. How do people get that number and what data do they need to get that?

Matthew: There are a couple of ways to do it. If you have some kind of subscription product the math is pretty straightforward – you take whatever you make on a monthly basis and you divide that by your cancellation rate and then you know your lifetime value of a customer. I know I'm charging \$5 a month and 5% will cancel after a month but somebody will stick around for 20 months so each person is worth \$100 to me. That's the way to do it if you have a recurring product. If you don't, it gets much harder – you have to figure out what your conversion rate is. An easy way to do that is to get a group of people who signed up for your list a year ago and see how much money you've made from those people and then you'll have an idea – 'I had a hundred people sign up, they've bought these products at this price and that's however much I've made off them, so that divided by 100 is whatever,' and that's a nice way to guess. It's not perfect math but there are ways that you can do it.

Jaime: That's the thing – we don't have a lot of time. It's funny, because are like 'How do I know the lifetime value of a customer? We haven't lived a lifetime yet! We don't know what their lifecycle is.'

So for somebody just starting out, thankfully you had a lot of data from before, but how do we figure those numbers out? because people want to buy e-mail addresses – people love getting that stuff fast – but they don't just want to invest a whole lot of money into e-mail addresses that might not ever convert because then you're just wasting money.

Matthew: I didn't start buying e-mail addresses until I had it dialed in. I worked on free stuff until I knew what somebody was worth to me. Buying e-mail addresses through co-registration or anything like that is basically like buying dynamite – it could blow up in your face or you could use it to blow up a mountain and get a whole bunch of gold out.

Jaime: It's risky!

Matthew: It is, but if you're willing to lose the money then go ahead and do it, but until you have your product/market fit down maybe you should hold off on doing that.

Jaime: How do you know when that happens? When you look at product/market fit and go 'I'm getting sales, I don't know how good they are, maybe it's just a handful.' At the very beginning, when you were only getting 25, what was that process that you went through to really dial it in?

Matthew: I kept asking for feedback from people who had bought it. I would ask people who I knew had gotten to the landing page but didn't buy why they didn't buy. Every six months I would come up with a new version of the newsletter that had better features based on customer feedback. I messed with the pricing – the base price is \$15 a month but I know that the conversion rate almost triples if I lower the price to \$9 a month so every now and then we'll have a \$9 per month sale and that tends to work quite well. I don't think there's a magic bullet; I think that when you reach the point where you think the weakest point in your funnel is getting more people onto the list, you have everything else dialed in pretty well and you know that if you get someone on your list you're going to make some money from then eventually, I think that's the point where you can start paying for traffic.

Jaime: Nice. So it sounds as though you're a data systems guy – how do you track all of this stuff? Do you use an Excel spreadsheet? How do we look at our funnel and know that we're not getting very good conversions at the beginning so we need to work on that or we're not getting many people buying our products so we need to work on that?

Matthew: There are a lot of ways to do it. I have a database with all of that stuff in it that I can query.

Jaime: Of course you do!

Matthew: But you don't have to do that, that's the thing – you can use Google Analytics to track people on your website and on your mailing list and all of that stuff.

Jaime: You can?

Matthew: Yes.

Jaime: Okay. I don't track with Google Analytics but you can do all of that?

Matthew: Yeah.

Jaime: I know you can set up different tests and all of that sort of stuff.

Matthew: It's a lot more powerful. It's not just another traffic counting service, there's a lot more to it than that, you only have to figure out what to do to get full use out of it. Google has a course on how to use it well – that's worth checking out if you really want to know your numbers. You can do a spreadsheet too, there's nothing wrong with that. You can look at the math questions for figuring out the lifetime value of a customer. KISSmetrics has a really good blog about it – you can put all of that in the show notes.

Jaime: Yeah, I'll definitely have to link that up. It seems so confusing to people who aren't dating geeks so normally when I work with people I say to just create a spreadsheet and we'll just estimate numbers and get some numbers from Google Analytics because it seems easier than setting something crazy up. It's kind of hard and trying to do it on your own is difficult so thankfully we have bloggers like at KISSmetrics who will just tell you what to do. Have you ever used Visual Website Optimizer or any of those websites that go through and help you track conversions?

Matthew: No – I should because I'm the guy who does everything himself.

Jaime: Of course, you created a database because you had time to do that!

Matthew: I think Visual Website Optimizer is a really good tool because you can just make a change on your website and it will tell you whether or not it will have a meaningful result so if you're not a web developer by trade you can put a piece of code on your website and make any sort of change to it and see if that impacts how many people will follow through, so that's worth checking out and I think Optimizely is one of the competitors. Those tools are incredibly valuable.

Jaime: Okay. Let's do a scenario of somebody who started maybe a year or two ago because I get this question all the time – people want to build their list and they don't know exactly what to do. They might have an opt-in with a free thing, that's okay, and then they're getting some traffic but they're not really selling very much, it's not really working. What would you tell them what to do, step-by-step?

Matthew: I like to start at the top of the funnel and work down from there so we'll just assume that the traffic that you have is the traffic that you're going to have for the time being. The first thing to do is to look at your opt-in mechanisms – where are they on the website, what are you offering, how relevant is it to the person on the page, specifically? Some people use the same opt-in throughout their website and you often get better results from doing four or five different opt-ins based on the category of the article that you're in. So in WordPress you can say 'If it's in this category show this opt-in, if it's in this category show this,' and that definitely helps. I'm a big fan of the big popup box that you can't miss.

Jaime: You are?

Matthew: Yes.

Jaime: Tell me more.

Matthew: That is probably where two thirds of my e-mail signups come in from.

Jaime: Really? I don't have one and I've not had one for a very long time on purpose. Everyone else has one because they work.

Matthew: Yes!

Jaime: You're going to hit me on the head – 'Jaime, come on!'

Matthew: I think, for your popup, the simpler the better. If you look at mine, it's AnalystRatings.net, there's a headline, a call to action, a text box for your e-mail address and a button and that's all it is. I've tested a ton of different things and for me that's what's done better than anything else over the last few years. It's not terribly pretty but it gets e-mail signups and those people become customers so I'm happy to leave it as it is if I get a lot of signups.

Jaime: What's your lead magnet, just the newsletter?

Matthew: Yes, so people will get the newsletter and I've tested other free reports and that kind of stuff but people just want updates about their stocks. The big change that I made a couple of weeks ago was I changed the opt-in mechanism so that whenever the popup would show up it would mention the name of the company that I was talking about specifically, so instead of getting the latest news and ratings for any stock it would be the news and ratings for Apple and that made a big difference in my uptake rate.

Jaime: Wow, just a little tweak of what you had on there?

Matthew: Yes. Every now and then you should pretend to be your customer and go through the entire funnel of becoming your customer – 'Okay, how do people find my website? Do they go to stock trades, do they go to Google Finance, are they looking for news about a specific company?' and then they cut to my website so if they're looking for information about a company I should have an opt-in that mentions that company's name. That makes a big difference.

Jaime: Did you code that on your own or is it a widget that we can work with?

Matthew: That's a lot of code because there are 5-600 companies that we write about.

Jaime: And which thing shows up depends on which page they're on?

Matthew: Yes.

Jaime: I'm writing down action items. Normally for interviews I don't but when I have clients I write down their action items and now I'm like 'Okay, I really need a light box,' and then I'm sure the copywriting and all of that on the light box really makes a huge difference too.

Matthew: Absolutely. Most people collection names. I don't think you need somebody's name – I think their e-mail address is fine.

Jaime: See, Clay Collins told me that and my conversions went up as soon as I took off the name. I never write 'Hey, so-and-so,' anyway so it doesn't really matter in that sense. Are there any other little tips and tricks that you've found?

Matthew: One of the things that really helped me about a year ago is there's this little script called Kick Sand or something like that, where, if somebody knows HTML, they can implement it. If somebody types in, say, jaime@gmail.com and they spell Gmail wrong it will fix it for them. It will say 'It looks like you spelled your e-mail wrong. Are you sure it's not jaime@gmail.com?' So that does a nice job of preventing people from typing their e-mail address in wrong.

Jaime: Is that a plugin or a script? How do I get that?

Matthew: It's a script. I didn't make it – you can find it online. I'll send you the link. If you're someone who knows JavaScript and HTML you can do that.

Jaime: Nice. What else you got?

Matthew: What else do I have?

Jaime: I'm taking all your stuff. That's the interesting thing – you've tweaked so often that you've gone through and figured out what works really, really well for you. We can tell everybody all the tweaks we want but they have to test it too and people aren't always fans of testing. I think that's why so many programmers and data guys are so popular and making so much money in the internet space – because that's how their brains work. They're like 'I just need to tweak this and tweak this and there we go!' whereas most people aren't like that so maybe they should be, or they need to hire someone to do it for them.

Matthew: But you do have to test because what works for me isn't necessarily going to work for anyone else. I met a guy who was crazy smart about conversion optimization and he told me 'You should try this, this and this. I've found that this is true,' and I tried it and it wasn't for my list.

Jaime: You won't know because you get different people for every different thing. Matthew is extremely smart but take this with a grain of salt because your audience is different and we don't necessarily know what is going to work well for them. You've been working with stocks and stuff like that – when you move to a different market, like animals and I know you do other things too, do you notice that the people are drastically different or can you apply a lot of the same stuff?

Matthew: I think a lot of it, like the e-mail marketing copy, is similar. If you look at the different businesses that have nothing to do with each other I can still take the e-mail marketing and transfer those skills over to a different audience and the same tricks do tend to work pretty well regardless of whether you're selling an investment newsletter or fundraising for animals or whatever. I think the skills are the same.

Jaime: I love that, especially because you can apply it everywhere. I'm sure you have more than one skill, Matthew, but you have one hardcore skill in business and you can apply it to everything else, just looking at the numbers, and way back when you were trying to be a personal finance blogger so there's a huge difference there. I just want to say that over and over again because a ton of people are in the first few years and not making a lot of money and are really frustrated because, listening to you talk, it sounds really easy – 'I just tweaked this and now I make \$5,000 per e-mail and this much per month,' whatever it is. Do you have advice for people going through this? Do you remember yourself at the beginning, not knowing what was going to work and freaking out? What's your advice?

Matthew: Keep trying things. You can basically keep doing what you've been doing and get the same results you've been getting so you need to continually try different customer acquisition methods, different opt-in methods, you need to be continually experimenting and when you find something that works you need to latch onto it. I think the 80/20 rule is in full effect whenever you're starting out – you're going to try a bunch of things and 20% of them are going to yield 80% of the results and you need to figure out what those 20% of things are and just do a lot more of those.

Jaime: How often do you try? You tell people to try stuff – should it be one new tactic per week? Did you map it out, like the top three things to try this month? How do you do that?

Matthew: I think right now I have maybe five different tests going on. It's usually just whenever I get a new idea of something to try for copy or opt-in mechanisms or something that I see online that I just add to the list. If you can do one test per week forever I think you're going to get the results that you want.

Jaime: I remember when I interviewed Andrew Warner – he told me the exact same thing, 'Test or sell or do something every single week.' That's a lot of e-mails or things – what if it's crappy, what if people don't like it? He said 'Just do it anyway.' I don't like that! But, looking at your history and seeing how far you've come in such a short period of time – I know people who started around the same time as you and aren't crushing it as much as you are. So this one thing, testing, testing, testing, really makes a big difference. How do you know which are the 20%? I get people saying 'I tried that and I'm not sure whether it worked,' or 'It didn't work.' If you tried five different things, one of them must have worked better, but how do you decide that?

Matthew: It's looking at the numbers and seeing what happens. If you're doing a traffic thing you check Google Analytics and see how many people you got to come from a website you posted a guest post on or Facebook ads or whatever you did. You can figure that out pretty easily. If you're testing opt-in mechanisms or something like that you can use Optimizely or something like that. If you're trying to sell something on your list you can see whether you got any sales and look at the actual math of what you sold – 'Okay, did I sell more of this than the last thing I sold?' and if you did, then that's great.

Jaime: Simple – write it down!

Matthew: It shouldn't be hard but I think people make it harder than it needs to be sometimes.

Jaime: It's fun to make it harder than it has to be. The other question that I've been hearing quite a bit is about having the right people on your e-mail list. You could have a list of non-buyers because, as you start building your list, you get a bunch of people at the beginning and it's pretty tight – you only have a couple of hundred and you know your open rates are great and everything looks happy-go-lucky – and then, as soon as it starts growing, you start wondering if they're the right people. Are you targeting them right? Are they buying stuff? How do you know that the people you're signing up are worth \$6 per e-mail address?

Matthew: I think that's the wrong question to ask. It's not 'Are these people the right people?' it's 'Am I the right person to give these people what they want?' If you want to make money off that list you need to solve a problem for them – if you're not solving a problem for them, they are not the problem, you are the problem.

Jaime: I like that. But what if the list is really segmented and you don't know it – some people will buy and some people won't – do you ever have that problem?

Matthew: Yes – only 3% of people who get on my e-mail list ever buy a product from me and I'm okay with that. They continue to get my free e-mail because I've got ads in that e-mail and they're clicking on that and it doesn't cost anything to have them on my list so it's okay that not everybody buys. That's not a problem that needs to be solved. If nobody is buying, that's a problem, but even if only 5% of people are buying that's great.

Jaime: Awesome. So tell me about unsubscribes. I remember talking to somebody who had a huge e-mail list and made millions from it and he said he just continuously gets new people because the drop-off rate is pretty significant, because it's a daily e-mail or something like that. So he just knows in advance that, say, 50% of people are going to unsubscribe within three months – that's just the model; people won't stay on a daily e-mail list forever. So how do you deal with unsubscribes and how do you pay attention to that?

Matthew: I get probably about 4-5% of my list drop-off every month.

Jaime: That's a lot!

Matthew: So out of the 104,000 people that are on the list now I know that I'm going to get 5,000 unsubscribes every month. Maybe a third to a half of those will be bounces – you know, bad e-mail addresses that get removed automatically – but the rest will be people that just say 'This isn't for me.' I don't really worry about that – I just make sure that the number of people I am signing up is greater than the number of people who are cancelling. One thing that I do is, when somebody unsubscribes there's a drop-down that asks them why they are unsubscribing and I have the ten most common reasons that I think people unsubscribe so they pick that and if a lot of people tell me I'm sending way too many marketing e-mails then I know that that's a problem.

Jaime: And then you can just drop it back a little bit to keep the unsubscribes down. I'm glad that you said that because a lot of people worry about that stuff – they think that they need to keep everybody, 'No one should unsubscribe because they love me!'

Matthew: That's just not how it works. Nobody cares about you as much as you. When I first started I took every cancellation personally, like 'This person doesn't like me anymore, this sucks!'

Jaime: Now over 5,000 people don't like you and you don't care anymore!

Matthew: Once you get so many of them you just get numb and it's not a big deal – someone else is going to sign up tomorrow to take their place.

Jaime: Totally. I unsubscribe from things all the time, even from friends of mine. I just don't have the time – 'I love you as a person but I don't want your e-mails. I'm very sorry, Ray!' and it's not a big deal at all but I understand that, at the very beginning, it makes a huge difference. When you're trying so hard to grow the list to be bigger, when you see it dropping off, that's scary.

Matthew: It is. I think if you think about it, it's just somebody saying 'It's not for me,' and they go onto the next website. You know that not everybody that hits your website is going to be a good fit for you and not everyone that hits your e-mail list is going to be a good fit for you either. It's hard

not to take it personally but you can't, otherwise you're going to beat yourself up just way too much.

Jaime: How do you think your mindset has grown? Especially going from being a programmer guy, starting to make more cash, going 'Oh, there's more money coming in.' How has your mindset grown over these last five years?

Matthew: I think that over the last two, three or four years I've really adopted an abundance mindset. I think there's a lot of money out there for anyone to make and you just have to go out there and grab it. When I first got started I was thinking 'Can you really do this? Can you really make money on the internet?' All of the people I saw making money were doing scammy stuff or whatever. Now I think that anybody can do it – the strategies and methods that you need to take to build a list and to get customers and that kind of stuff, a lot of it is a known quantity, it's just a lot of work. If you're willing to put in that work you'll get some sort of result. I don't know if it will be a fantastic result but you'll get something out of it. So I think the opportunity is there, I think anybody can do it. I think I could start over from scratch today and get similar results five years from now. So just go out and do it!

Jaime: I love that. What do you think really made the difference? Was it you testing things and saying 'Hey, wait a minute, this didn't work,' or was it the results that you got or was it something else that gave you that mindset shift?

Matthew: I think it was just putting in a crap ton of working and seeing the results from that and realizing that the amount of effort I've put into this thing is going to directly correlate with the results that I get. I've got a buddy who's trying to start up a business and he's basically where he was six months ago because he only puts in two hours a week. If he put in ten hours a week he would get a crap ton more results. Some people just don't put those two things together, they think it should be a four hour work week and they can get great results from that but, no, you're going to work 50 hours a week for the next five years and after that you'll have something you can be proud of – there's no easy way to get to it.

Jaime: Did you start this when you had a day job? How many hours per week were you working at the beginning and when did you quit?

Matthew: I graduated college in 2008. I took a job with a web development agency locally – we didn't have an office so I worked at home and there was a lot of flexibility. As long as I got my projects done they were happy so when I was done with that for the day I had time to work on my business stuff. For the first few years it was probably 20-30 hours a week. For the first two years we were in an office and then we moved to working from home which worked a lot better for me so I had more time to do that kind of stuff and that's really when my business took off – I went from \$60,000 one year to \$140,000 the next and then \$270,000 and just up from there, once I had that free time. If you're at a point where your side job is making close to what your day job is, if you have that extra time to work on your business and you have the motivation to actually use that time wisely, you should go ahead and make that jump because you're going to capture just so much more economic value from your time by doing all of the things that you don't have time to do right now. I think I made the leap too late – I didn't quit my day job until November of 2012 and that was two or

three years after the income from my own business surpassed my day job income. I would be curious to know where I would be at now if I had quit two years earlier.

Jaime: It's scary, though, to do something like that. To say 'Well, it looks as though the trajectory is going up so I'm going to quit.' People need the safety of knowing what they're going to have – you can't predict the future.

Matthew: Like insurance and retirement and all of that sort of stuff. I have to provide that for myself now – how am I going to do that? There are definitely some hurdles to overcome. The reason I quit was that my son was born early so we had to be in the hospital for two months before he could come home. He's fine – he was premature but no unique medical problems, he just had to get bigger so that he could come home. I didn't have the time to be a dad to a kid who was going to need a little bit of therapy and have a business and have my day job so while my kid was in the hospital I quit my day job.

Jaime: How did you do that, with insurance and everything?

Matthew: My wife was a fourth grade teacher at the time so luckily our son had insurance through the school district so that was okay, I just had to buy a policy for myself and I'm a 29 year old male so I'm really cheap to insure so that worked out. The big challenge was explaining to my wife's family what was going on.

Jaime: 'I'm quitting my job. Thanks, guys!'

Matthew: Yep.

Jaime: How did that feel, though, actually quitting your job?

Matthew: It was great. I would do it again!

Jaime: 'I'd do it again!' I love that; that's awesome. Did you not like your day job? Some people are like 'Oh my gosh, get me out as soon as humanly possible. I hate my day job.' Were you that guy or did you actually like it okay?

Matthew: It was fine. Getting to work was bad – it was a web development agency and I had built them a content management system that they could use for their clients and they were happy with it but towards the end it just wasn't as busy as it was before so it wasn't hugely time consuming but it was still a job – I still had to check my e-mail every day, I couldn't set my own schedule. Once I was able to free that up a lot of things started changing really quickly.

Jaime: I'm impressed with that too – because you look at the way people do things and when their job sucks the pain is great so they'll do whatever it takes. When the pain is not that great, the job is okay, you're not working that hard and you're getting paid, it's hard to quit that stuff.

Matthew: It is – that's why I stayed as long as I did. Since then, every spring I try to do some spring cleaning, I try to decide what I can quit doing that's not a good use of my time anymore. So this year I shut down my consulting business because the revenue is just not anything like what the investment stuff is. I shut down some websites that were big dreams four or five years ago that have never taken off – I thought I should just delete them and never think about them again.

Jaime: I love that, that you're just continuously trying and you're starting new things and you're trying to figure out new things. It sounds like that's what interesting to you – once you've figured out the model and pushed the button, like 'Great, the analyst stuff is going really well,' you want to figure something else out and test it.

Matthew: The kind of businesses I build tend to run themselves, for the most part. Other than myself there are the equivalent of two full time employees – I have six people who add up to maybe 80 hours a week, so the businesses kind of run themselves and I can check up on them once or twice a month to see what I need to change or improve. The only reason I start doing new stuff is that I get bored and start a new project to take up time.

Jaime: That's so awesome. That's what everyone wants to hear – 'Darn it! I have the four hour work week and I have to fill it with other stuff because I get bored.' That's awesome to hear, and everybody listening probably loves this too, being able to see you go from quitting your day job to doing this, just having a ridiculously amazing, hardcore skill. Thank you so much – we have to start wrapping up and I ask the same last question of every single interviewee and it is what's one action listeners can take this week to help move them forward towards their goal of \$1 million?

Matthew: I think I want to go back to you should just keep trying new things every single week. Try to get traffic from a new place, try to change opt-in mechanisms, try to sell something to your list, try to get your list to go to some affiliate offer. Every Monday or whatever day of the week you set yourself you should try to do something new with your audience that you haven't done before.

Jaime: I love that. I'm actually going to do that now too. I do testing and tweaking but I'm going to make it more of a thing. I've written my action items down – step one is light box, so everybody knows I'm going to test that very soon. If you don't like light boxes, don't go to the website! Thank you so much for coming on the show today, Matthew. Where can we find out more about you and your book online?

Matthew: The book is "40 Rules for Internet Business Success". If you want a copy of that it's 40RulesBook.com. The audio book is free for listeners of Eventual Millionaire so if you go to the show notes there will be a link to the audio book, if you want to listen to that. My personal blog is MattPaulson.com – I write about entrepreneurship there every week. My Twitter handle is [@matthewdp](https://twitter.com/matthewdp). I think that's it!

Jaime: Awesome. We'll link everything up so that nobody has to remember it – just go to the show notes and you'll be all set. Thank you so much for coming on the show today, Matthew, and I hope I see you in person again in the future. Take care.

Matthew: Thanks.

Announcer: Thanks for listening. You can find out more great information like this on EventualMillionaire.com.