Jaime Tardy: Welcome to Eventual Millionaire. I'm Jaime Tardy and today on the show we have Phil Ash. Now, he's the CEO of Baton Investing. He also has a couple other companies, serial entrepreneurs that I'm really excited to get into today. Thanks so much for coming on the show.

Phillip Ash: Yeah, thanks for having me Jaime.

Jaime Tardy: I was reading your bio and it goes from real estate and investing and you literally have a ridiculous amount of things that you're doing. So why don't you give us a big picture of you over all the stuff that you've got going on.

Phillip Ash: Yeah, that's kind of the norm for entrepreneurs, right? And I won't go into detail about the house painting company I started when I was 18 but kind of a common entrepreneurial path there. So right now I've got – we have three divisions within our holding company. One is Baton Investing which is the newest one and that is an investing system aimed at Gen X and millennials.

And then we have Investing Daily which is an online publishing company as well giving more income advice for retirees. And then we have Business Management Daily which is plain English advice for people in the HR field, administrative professionals, small business tax, that sort of thing.

Jaime Tardy: That's insane. So you have three different avatars and you're teaching them different things but is it all like content marketing and business that way?

Phillip Ash: That's right. It's all online publishing so same business model across all of them.

Jaime Tardy: Okay. Tell me about the business model.

Phillip Ash: So it's pretty standard stuff. I assume you're – I'm a big fan of Ryan Diess from Digital Marketer. I'm sure you're familiar with him.

[Crosstalk]

Jaime Tardy: **[Inaudible] [00:06:13]** last week so, yes, I totally get it.

Jaime Tardy: As was I. Sorry we didn't bump into each other.

Jaime Tardy: I know, really, **[inaudible] [00:06:19]** –

Phillip Ash: Yeah.

Jaime Tardy: -- too bad.

Phillip Ash: It would've been great. Yeah, so that's the basic business model. We've got content marketing and lead generation, lead into acquisition of initial subscribers and then monetizing them with our backend services which will range from 300 to $3,000.

Jaime Tardy: So when you talk about start your three different ones, did you start with one and learn content marketing and go down this path or how did that evolve?

Phillip Ash: Yeah, so I think of myself as more of an intrapreneur. I haven't had to put my house on the line, for example, which so many entrepreneurs do, which I have a lot of respect for. I came into a family business about ten years ago and before that I was a CPA and a financial analyst. And so I came into – the business at the time was – the first two divisions were Business Management Daily and Investing Daily. And then we subsequently launched Baton.

Jaime Tardy: Oh, okay. So you came in and you – but you have information in financial stuff. So what are you doing in the companies now? I know you're CEO but what are you actually doing in them?

Phillip Ash: So with Baton, Baton has been a lot of fun because it's kind of my – I had a personal problem and I set out to create a solution. Both my brother and I – he works as a web developer with us. And basically despite being really immersed in all this financial advice, as I said, I was a CPA and a financial analyst for a Fortune 500 company earlier in my career so I probably had more investing and financial knowledge than the average bear. But despite all of that, I went back and I looked at my brokerage statements for the last decade and I realized that I was underperforming in the market.

So – and my brother was doing a little bit worse than the market, even though he had a financial advisor. Pretty much everyone was underperforming in the market when you take out the fees and such. So we set out to create a solution for our challenge. He was paying 2 percent for the privilege of underperforming the market and I was a DIY investor who also thought I was doing pretty well. It's like when you go to Vegas and you remember the wins, forget the losses. But when you really do the math, you're not doing as well as you think.

And so we set out to launch Baton and I can go deep into that story what Baton's all about and the guy behind that because that was pretty cool.

Jaime Tardy: Yeah – no, please. Please continue because I'm confused on how you can do that. If there are so many other people that are underperforming and still have to charge fees, how do you even make a business out of that?

Phillip Ash: Yeah, so like I said, I was underperforming, my brother was underperforming, in fact everybody I talked to was underperforming. And so I went out and I did a bunch of online research for about six months trying to find somebody who had a track record of consistently beating the market, had total transparency in their system and had transparency in their returns and that I thought was replicable.

So I found this guy John Reeves who is an MIT computer scientist. I wanna say he's in his late 50's, 60 or so. He started basically when he was 16 years old. He wrote a letter to MIT and said, "I'm kind of bored with high school. Do you mind if I come to MIT?" And they let him in because he's from Boston. So, as they say, he was wicked snot.

Jaime Tardy: **[Inaudible] [00:09:46]** I say that all the time.

Phillip Ash: **[Inaudible]** wicked snot as well. So anyway he went to MIT and this was, I guess would've been in the '70s or late '60s when your artificial intelligence industry was just starting up. So he was kind of an early kind of player in that arena with MIT lab for artificial intelligence. He got out of MIT, he got a couple of other degrees from Harvard, Yale, you name it –

[Crosstalk]

Jaime Tardy: **[Inaudible]** –

Phillip Ash: Yeah, still just to humble the rest of us. And so he got out of there. He started a computer networking company before most of us even had computers in our homes, but before you were born probably. And he made a couple million dollars when he sold that business off and fancied himself pretty smart. He started down the path of DIY investing.

Well, it didn't go too well for him so he said, this is stupid. Why don't I just create an artificial intelligence model that replicates the same habits that all of the great investors before me have used. So he created a model around ten gurus, Warren Buffett, Peter Lynch, Benjamin Graham and so forth. And he had some criteria around choosing those gurus. Their system had to be out in the public domain and it had to be purely quantitative and had a verifiable track record and all these sorts of things.

And so he, once he created this artificial intelligence model, played around with it a little bit, he made it public in 2003 and he launched a money management firm around that. So it's got a public track record since 2003. We licensed his algorithm in 2014. And in that time period – or today it's beaten the stock market by about 150 percent. And that's been through up and down markets. It's had, of course, some years where it has not beaten the market such as last year. That happens but ten years or thirteen years now isn't exactly a random walk in the park, right. That's through the '08 crash and now the correction we're going through now.

So I saw that and I said, this is fantastic, I want a piece of this. But it was pretty complicated to use and that's where my brother, who's a web developer, came in. And we greatly simplified it, we put it into an app and we partnered with a few brokerage firms. And now the user experience is literally, you'll get a push note on your phone once a month, you hit three buttons and log in and you're done with your investing for the month. You've mirrored the ten-stock portfolio that **[Inaudible] [00:12:22]** puts out.

Jaime Tardy: Hey, I think it's hilarious that the guy from MIT and Harvard couldn't beat the market but he could create artificial intelligence that could. How insane. It's so difficult to be able to do that. So all you had to do was license that but, of course, you have to pay, I'm assuming, a licensing fee for that then too. So how do you guys charge for what you do? What's your model on that?

Phillip Ash: Yeah, so we have a $19 a month subscription model or $190 a year. We don't have any backend services to up sell people to after that. We'll do that once we get a little more traction with Baton.

But that's it, subscription model and then of course we put out some free advice as well.

Jaime Tardy: Okay. That's awesome though because flat fee – I have some clients that are doing flat fee stuff and it just makes so much sense. Like, please don't sell me something that you get commission on or – you know what I mean? When stuff like that happens, it sucks, so it's $19 a month and no matter what and you just have access to this system.

But if the system is licensable, aren't there tons of other companies like yours that do that too technically?

Phillip Ash: Nobody else using his system.

Jaime Tardy: Really.

Phillip Ash: He still runs his high net worth money management clients through it and he has an ETF exchange traded fund that's publically traded. It's a little bit different formula that has 100 stocks in it instead of our ten, and I'll get into, you know, if you want into the nuances of why that's important. But, yeah, we're the only ones kinda reselling his system making it affordable to the average investor. We say that $10,000 is the minimum investment that makes sense on a $19-a-month subscription fee. Basically that works out to 2 percent of your money and anything more than that would be kinda foolish.

Jaime Tardy: That's insane then. Okay. So you guys are the only people and you created an app for this. Who should be – I know you said 10,000 but you said this is for millenials – who's the right person to go after this? Because, I mean, everybody that's listening, most of the people are business owners, right, and they're usually like, I wanna make my money in business over investing. They'll put their capital – I mean, don't get me wrong, like they probably have 401Ks from when they were in **[inaudible] [00:14:29]** –

[Crosstalk]

Phillip Ash: Sure.

Jaime Tardy: -- but they're like, oh I need to invest more money into my business. So how do we sort of pay attention to what we invest in our business versus what we invest in the stock market?

Phillip Ash: Yeah, absolutely. I mean, if you wanna hear my kind of roadmap, I guess if you will, for the way to go about really growing your wealth, building wealth is first of all, the most important factor – you go into these online retirement calculators, which is something I can go into in terms of goal setting. That's a vitally important step most people miss. You go into those calculators and it's like, how much money do you have now, how much are you gonna put away each year, what's the rate of return you're gonna get and a few assumptions like that. And by far the most important thing is, how much money do you have right now today and how much can you keep socking away?

So the first step towards amassing wealth is make more money. So if you're a W2 employee, go out and learn a new skill, educate yourself, have a productive conversation with your boss, whatever or, as a lot of your audience does and certainly I'm fond of is, start your own business. That can take capital or it can be a kitchen table sort of enterprise.

But anyway, whichever you go the first step is make more money. So absolutely, I would say for any entrepreneurs listening, if you've got an opportunity, a good way to deploy your available capital, by all means, put it back in your business first.

Jaime Tardy: Okay. How do we know – let's say our business is making pretty good money. How do we know when to pull what out, right, especially when people are just sort of getting into the stage of investing?

Phillip Ash: Yeah, so I don't know that I could answer that on behalf of all the business **[inaudible] [00:16:17]** –

[Crosstalk]

Jaime Tardy: -- everybody listening, yeah.

Phillip Ash: They kinda need to decide when they've got some excess cash. But one of the first things you probably wanna do is take advantage of the tax benefits of a 401K, a SEP IRA and so forth, Roth IRA, what have you.

And in some cases you're gonna be able to choose your own stocks if you're opening an IRA, a brokerage account you can buy whatever you want. If you're in a 401K you're probably gonna be limited by a fairly kind of mediocre set of mutual funds possibly with high fees. But anyway I like, as a next step, a 401K or any sort of situation whereby you're gonna have forced savings. And you can do that with any sort of account whereby money coming right out of your payroll or scheduled withdrawals from your checking account, what have you; it's going into that kind of lockbox, if you will. That's your retirement money.

Now, it doesn't mean that when you've got your back up against the wall in your business you're not gonna take the 10 percent penalty and pull that money back out but hopefully you won't.

So anyway I'd say put the money into a tax advantage account for starters and max that out possibly. Or if you think you're gonna want some available cash to use in the future, maybe to put back in your business and you don't wanna risk having that kind of – that early withdrawal penalty that those tax advantage accounts might have, then set up a taxable account. And if you've got less than say, I don't know, 10, $20,000, what you might wanna do is put it 100 percent just in an S & P 500 Index Fund.

Jaime Tardy: Okay.

Phillip Ash: We get so caught up in diversification. And like Warren Buffett says, diversification is only for people who aren't smart enough or don't know what they're doing – I forget the exact quote. But it's true and what happens is people think they need their large cap mutual fund, their small cap, their mid cap, their international, their gold, all these things. And in most cases you end up simply underperforming the market and you probably haven't even insulated yourself against these corrections in the market like what we're seeing now. And those are the most dangerous times because that's when people's emotions get in our way, the reptilian brain kicks in, fight or flight and we basically sell low after having bought high. That's what kills returns and that's what you wanna prevent.

For regular diversification of just owning 500 stocks, that's not gonna prevent those downturns so you're still gonna be subject to that. So instead, a better way to kind of keep your emotions out of the game is something called a two-bucket strategy, which isn't original **[inaudible]**, it's – I wouldn't say it's commonly preached but in financial circles it's well known. And this is simply the rainy day fund concept.

So you keep your rainy day money in one bucket and you keep your investable assets in another bucket. And the rainy day bucket's gonna be anywhere from five weeks of cash if you're a millennial and all you're worried about is being able to pay next month's rent, up to five years of cash. And the reason that I say five years – and this is an interesting little fact. Not to put you on the spot but take a guess as to how long it took in the great depression for the stock market to recover?

Jaime Tardy: I don't know, a lot of – many years you would say, right?

Phillip Ash: Yeah, so if you look at just the numbers of index, how long it took to recover, I wanna say it was like 26 years. It was a long time and people think of the great depression as this horrific financial calamity. But the reality is we had deflation then. So if you look at the purchasing power of a dollar right when the stock market crashed to how long it took for that dollar to again be able to buy the same amount of stuff, it was only four-and-a-half years. That's the worst calamity we've had in the stock market.

So we say even if you're retired and you can't afford to lose anything, just have five years of money in that rainy day bucket –

[Crosstalk]

Jaime Tardy: -- and it'll all come back.

Phillip Ash: -- and you're not gonna have to touch your investable assets. You're gonna be able to ride out those downturns. So that's a better way to diversify and keep yourself safe.

Jaime Tardy: That's interesting. And don't forget, I'm a millennial technically. We should do more than that for sure.

Phillip Ash: Yeah, so –

Jaime Tardy: Well – oh, sorry, go ahead.

Phillip Ash: Yeah, so anyway, real quickly, so that's a taxable account that you'd wanna set up with a small stock portfolio or I could get into all sorts of strategies if you want. But then the next thing after that, which I'm a big believer, is real estate.

Jaime Tardy: Okay. That's exactly where I was gonna – where does real estate fit in this? That was my question. Perfect.

Jaime Tardy: Yeah, yeah, so in Baton we have in two out of our four portfolios, we have three hedges. We have gold, bonds and real estate in addition to our ten-stock portfolio. We just have REZ which is a residential real estate ETF or a **re** essentially. So that's one way to invest in real estate. If you don't have a lot of money simply invest in a publically-traded security called a re or REZ is the ticker symbol for the ETF that we like. That's one way.

A second way is your primary residence. Now, there's all sorts of different opinions on this. I'm a big fan of buying a primary residence and essentially paying yourself rent. But if you're gonna be hopping around from city to city, place to place or you live in an area where it's hard to unload a house or whatever, you may have reasons why you don't want a **piece of** primary residential real estate. Beyond that is then getting a income-generating rental real estate property.

And, I mean, you can build auctions in a lot of cities. I know Washington, D.C. where I live is about to have an auction where the opening bids are $300 for properties where people simply haven't paid their back taxes and they're going up for auction Now, granted that's gonna be a real **[inaudible] [00:22:35]** and you're gonna put a lot of money into it but you can get rental real estate on the cheap in a lot of places. And you may be able to partner with other people so that you're bringing other capital in and just creating a simple LLC. But income-generating real estate is huge.

If you can put 20 percent into a property and be cash flow neutral and positive, that's fantastic. And then –

Jaime Tardy: So invest in your business first so that way you can generate more cash now. And then investing and then real estate or do we do real estate and then investing? Like if you had to prioritize?

Phillip Ash: Yeah, so you're gonna need money to buy the real estate, right.

Jaime Tardy: Yeah.

Phillip Ash: Yeah, so that's why I would say if you're definitely aimed at real estate then I would probably forego as step number two the tax deferred retirement accounts and go straight to a taxable account where you can accumulate some funds for that initial real estate down payment.

Jaime Tardy: Okay, that's awesome. That's **[inaudible] [00:23:31]** –

[Crosstalk]

Phillip Ash: But if you're able to **[inaudible]** –

Jaime Tardy: -- I really wanna get into real estate.

Phillip Ash: Yeah, but if you're able to generate that money, that cash for a down payment out of your business, and that's really where your passion lies, than you could skip the whole stock market investing thing and make that step three and four if you want.

Jaime Tardy: See, because I feel like that's what's so difficult is you talk to investors and investors are like, you should be investing. You talk to real estate guys and they're like, you should be doing real estate. Business guys all say that so they all say mine's the best and then my people wanna be business owners, right. So they're like, I wanna know –

[Crosstalk]

Phillip Ash: All right.

Jaime Tardy: -- what I do now. I feel like just investing in my business seems like the better return but of course it depends on your business and how much you're actually getting for a return.

Phillip Ash: Yeah, I'm personally a fan of real estate before the stock market but also I've only been in real estate since 2001. So – which was like boom times in Washington, D.C. and most of the country. Of course things stagnated a little bit in '08 and '09 but anyway, real estate's been very good to me.

And the downside of real estate, particularly if you're a business owner, is that it can be a time suck. So if you don't want that distraction then you can look for again publically-traded real estate investment trust or ETF. You can look for – there's a lot of great platforms out there such as FundRise.com F-U-N-D R-I-S-E. I think they're minimum investment might be $1,000 but you essentially can just put money in little projects. So, a great resource.

Jaime Tardy: Yeah, I've never even heard of it. That's awesome. Okay. Because I know, I mean, this is my primary residence but this is like my fifth house that I've bought. And I love – I've gone and done it in different states and for some reason I love it but it seems like it's such a distraction from business at the same time too because then you have to look for properties and you have to decide – don't get me wrong, it's fun. But I feel like investing in my business would just create a greater return in a shorter period of time which is why I haven't really put a ton of time into real estate.

Phillip Ash: Right, right. And so have you owned multiple properties at once?

Jaime Tardy: Yes, once.

Phillip Ash: Yeah, that's certainly a time distraction, right.

Jaime Tardy: I was 23 – yeah, I was 23 and had two houses in different states and I was like, I don't know that this is a good idea because you would rent – anyway, it was such a pain in the butt which is why I think I'm also a little scared because we also had to do a whole – like we had to have construction guys and we had to do a whole thing – it was just a huge time suck. So I think I'm a little timid all –

Phillip Ash: Yeah.

Jaime Tardy: So give me your perspective on owning investment properties. Like where should they be at their business, right, in order to start going, okay, I think I can put some of my time into figuring some of this out, assuming they really wanna get into real estate?

Phillip Ash: Yeah, I mean, unless you're gonna do kind of a liquid investment like a FundRise or an ETF, something like that, money in real estate's gonna be locked down for long term in most cases. So you don't wanna pull money out of your business that you're potentially gonna need to recapture. So, I mean, that's really the simplest advice I could say. I'm not sure I could give people a dollar amount or what have you.

Jaime Tardy: Don't you have to be able to – in order to buy another property you have to at least put 20 or 30 or whatever percent down when it's not your primary residence, and aren't there things like that that they maybe might wanna know in advance?

Phillip Ash: Yeah, I think it's 30 percent down. I'm not a real estate investment expert for you. Yeah, I think it's 30 percent and then you're going to – if it's a commercial property you're gonna be paying another, I don't know, 750 or 1000 basis points on your interest rate, a few more expenses involved.

Jaime Tardy: **[Inaudible] [00:27:13]** real estate because you're like, yeah, but I'm the **[inaudible]** asking about real estate.

Phillip Ash: But one great opportunity, depending on if you have people in your audience who are in college or if you have people who have kids in college, it seems to me like a great investing opportunity that I missed out on is buy a property at that university. Instead of paying dormitory rental apartment fees for those four years, buy something and pay yourself. And when you move on you know you've got a hot commodity to rent to future students.

Jaime Tardy: That's a great idea.

Phillip Ash: So that's certainly what I'll be doing with my kids, should they get into a college.

Jaime Tardy: That's awesome.

Phillip Ash: And should I be able to actually afford it.

Jaime Tardy: I know, right, by the time that happens. Oh, my goodness. That was funny. Out of all the millionaires I've interviewed, most of them say don't go to college anymore, especially with the change of education and stuff, it's kind of **[inaudible]** what's going on.

[Crosstalk]

Phillip Ash: Yeah, my wife doesn't like it when I tell my kids, quoting I think it was Rodney Dangerfield in Caddy Shack, "College isn't for everyone."

Jaime Tardy: My dad always said that. I was like, dad, you don't understand. And then I started paying off my student loans like, oh, wait, maybe he had something, right.

Phillip Ash: Right.

Jaime Tardy: So I wanna just get into really quick about the content marketing strategies and things that are working right now because **[inaudible] [00:28:26]** we didn't actually get a chance to talk.

[Crosstalk]

Phillip Ash: Yeah.

Jaime Tardy: But what are some content marketing strategies that are working right now for you?

Phillip Ash: So our biggest generator of leads right now is we have a team of writers, mostly U.S. based, but we do get some articles written in India that we gotta send it through a North American to edit. But anyway, we've got those articles down to 60, $80 apiece all in on the cost. And we will place those on other financial websites that have a much larger audience than we do. We don't really do much in the SCO game and we don't have a lot of – you know, you get traffic to our content site.

So we would much rather write an article and put it on somebody else's site that's got a ton of content. And then we'll just have three or four contextual links in the article leading to a squeeze page with a free report. And then that's gonna have an immediate up sell on the confirmation page and another immediate up sell and possibly a down sell. And just to be clear, this is not what I'm doing with Baton Investing right now. This is what I'm doing with my other business Investing Daily, which is aimed at retirees.

Jaime Tardy: That makes sense. Okay. Do you have – are they guest posts? Are you paying for these articles, are you contributors or what does that look like?

Phillip Ash: Yeah, we pay a network of freelancers that are exclusive to us.

Jaime Tardy: -- wanting to write the articles, but how do you get it on the really high-traffic site? People always ask me, they're like, how do I get in front of people? And it's like, maybe you can guest post but a lot of times they won't accept guest posts, or how do you guys get in those relationships?

Phillip Ash: We do not pay for those. We – it's a symbiotic relationship. They're looking for page views and ad inventory so, yeah, we give them great free content, really well-written that we know a lot about what we're doing with the headlines and so forth. We give them great traffic off the articles we write. And they get to keep the ad revenue and we get –

Jaime Tardy: How do you make that relationship though to begin with because you have to prove yourself? Because it's not as though – I mean, I could ask for guest posts, everybody could ask to write on people's site, right, and it usually takes effort or lots of emails or something like that to get in with those. Can you tell us about how you did?

Phillip Ash: Yeah, for sure. So our biggest relationship, it came by hiring a PR firm.

Jaime Tardy: Really, okay.

Phillip Ash: So they got us the relationship and we worked it from there. Now that I have the relationship I realize I could've just called this guy up any time and he would've been happy to have us start writing but I didn't have the relationship. So I would say look for a PR firm and maybe it's not a retainer relationship but go to them with a specific ask. I want to get on these five websites. Can you guarantee that you can do that for me for X dollars? And if not, go find another PR **[inaudible] [00:31:30]** because somebody has that relationship, right.

Jaime Tardy: Yeah, and what's so awesome is once you have the relationship you don't have to continually pay so it's not as though every single article you write you have to get it paid to go up there.

Phillip Ash: No, no, it's just a finder's fee. And you have – a lot of the big sites have blogging networks, like Harvard Business Review and Forbes and etcetera. So you can certainly go through their – navigate their website and fire off an email and perhaps get a phone number and try to do it yourself. It might work out. We've had success on one site doing it that way but, yeah, the PR firm was key on the big one.

Jaime Tardy: Yeah, that's killer. Yeah, I've made so many ridiculous amounts of relationships from like Yahoo Finance and all these things. And I was like, it was kind of amazing how just sort of I saw them on a thing and I sent them a note. You know what I mean? It's way easier when we sort of allow ourselves to – because otherwise we're like, who am I and they seem so big. And you're like; you just pay someone to have a relationship with **[inaudible] [00:32:26]** right.

Phillip Ash: Yeah, and the other thing I'll point out, and I don't know how applicable this is to other market sectors beyond investing, but the biggest site that we publish to is it's really a Trojan Horse for us to get onto Yahoo Finance, which you mentioned, because Yahoo Finance is the Holy Grail. But we've tried unsuccessfully to get onto Yahoo Finance. We're still trying but anyway the site that we do publish to, they have the feed Yahoo Finance, so we get on that one.

Jaime Tardy: They aggregate. Well, that's the thing that's so crazy. Pretty much everything has aggregated. And then I met one of the journalists because of that, which is kinda crazy.

Phillip Ash: Yeah, exactly.

Jaime Tardy: But you forget how many things are aggregated. I wrote for another site and I got on the homepage of Business Insider. And I was like, I didn't even know the – you know what I mean, I was like, wait, I have no idea.

Phillip Ash: Right, yeah. So you thought they were stealing your content at first.

Jaime Tardy: I know, I was like, wait a minute. All right. You can have it **[inaudible]** –

Phillip Ash: Yeah, right, right.

Jaime Tardy: -- it was for my book launch but it was –

Phillip Ash: I mean –

Jaime Tardy: -- it does **[inaudible]** –

[Crosstalk]

Phillip Ash: Yeah, the important thing is you're gonna wanna make sure that your rates are still included and not stripped out.

Jaime Tardy: And then most of the time they strip them out. How horrible is that? You're like, come on, that's the whole point. Anyway, so you must have to really pay attention to make sure your funnels are working well though too. So if you know you're paying this much money for an article, you need to make sure that at the end it's sort of coming out not just lead wise but revenue wise too so it's worth for you to put it. So do you have – especially Digital Marketer talks a lot about this – do you have your funnel really dialed in with what's working and what's not working?

Phillip Ash: Yeah, and we have – I don't know how helpful I can be to your audience on this because we have kind of a homegrown Frankenstein system. I know there's a lot of gray, off-the-shelf recording packages and so forth. Yeah, absolutely. When we get a lead we source tag them right away and we know lifetime value of them. So we look – based on our costs per acquisition, we're looking to ROI to break even on those folks in the three to six month ranch. We'll go as far out as twelve months but three to six months is really our sweet spot.

And we don't – we'll get, geez, depending on the channel anywhere from like 30 to 70 percent ROI on that initial day zero. But for the most part it takes some up selling along the way to hit that breakeven point.

Jaime Tardy: But what's so important is that you do know what those numbers are. You're not just randomly throwing stuff out there. And I think that's the thing that's so difficult though is people that are only in the first year or so and don't really know all these pieces, they know they need these numbers but they don't know how to figure them out. And so they're randomly what I call shotgun marketing. So they're like randomly putting a guest post here and a thing over here and then they feel kind of all over the place because they don't know what works and what doesn't work. What do you have for advice for them?

Phillip Ash: Yeah, and I would – well, it varies by channel. Look, yeah, so absolutely you have to know your metrics. And Digital Marketer or any sort of plenty of free articles online can tell you about the whole math from costs per lead to a CPA and so forth.

So then you've gotta have the reporting in place. You've gotta be able to get that data quickly so that you can switch gears. Now, I mentioned the free website where we put our articles up for free. That's part of what we do. We also use a lot of paid media. It's no different. You have a cost involved either way but your metrics are gonna be different on each channel. So you cannot look at things in the aggregate. You've gotta be looking specifically for each channel and switch gears quickly when something isn't working. Always move your money to the best opportunity and continually be testing new channels.

But, yeah, let your – assuming you have a limited ad budget, you wanna move – put your money into the best and highest use at all times.

Jaime Tardy: Definitely, but that's also why you go to places like Digital Marketer or TNT because you go, okay, what's working right now for everybody else. I know everyone was super hot on YouTube ads. It was kinda crazy going to the conference and sorta seeing Instagram ads and all this other stuff because we've been so – most people media buying Facebook ads and then we start to change trajectory. So you're just, I'm assuming, just trying to stay up on top of the trends as much as you possibly can and then test those markets and then move your ad budget that way?

Phillip Ash: Yeah, I mean, we know pretty well – so Gary Vee was talking at the TNC summit, know your audience when it comes to social media. These things change quickly. With Investing Daily we're going – we're helping a 50-to-75-year-old market, so we're Facebook, Facebook and Google. That's where we're gonna be.

Gary Vee's talking about Snapchat as the next thing **[inaudible] [00:37:12]** –

[Crosstalk]

Jaime Tardy: **[inaudible]** crazy, yeah.

Phillip Ash: -- but my retirees are not on Snapchat. They'll probably never be on Snapchat. Something else will come along. They're like – for them to get onto Facebook was a huge step forward and so they're locked in there for 10, 15 years. And then you've got Instagram, Pintrest and so forth with the millennials and Gen X that we serve with Baton Investing. Yeah, so we try – we're on Twitter and Facebook but we'll do – we haven't played around with Pintrest and Snapchat as much as we should. It's kind of on our near term radar.

Jaime Tardy: Well, it's probably on your radar because everybody went crazy for Gary Vee – like I got so many new Snapchat requests after his speech.

Phillip Ash: Oh, right.

Jaime Tardy: I'm like, really. Apparently everyone's hot on Snapchat right now, which is kinda crazy. Do you – like you trying to go after that, will you learn the platform or will you pay somebody else to learn it for you or how does – does someone on your team do it? Because I've been – I used to do Snapchat like three years ago and then I was like, whatever. And now I'm trying to use it again and I feel like an old person trying to go like, I don't understand what I need to click on/ And I'm not that old but I can't figure it out. I'm getting better. Don't get me wrong, but do you learn? Do you have somebody else do it? How do you usually do that?

Phillip Ash: I certainly don't do it. We pay people, either employees or freelancers to do it. But I do experiment with it and get to know the platform for sure myself. I wanna understand what we're spending our money on.

Jaime Tardy: Here's some money, let's hope we get something back even though I don't really know what the whole platform's about.

Phillip Ash: I mean, at the end of the day, these social media platforms, I kinda look at them like rental real estate. It's numbers on a paper, right. So I don't need to love the house and love the social media platform and really understand it. It's like; I can see the math on the spreadsheet. Is it working or isn't it? But I have to –

[Crosstalk]

Jaime Tardy: Yeah, **[inaudible] [00:39:01]** money coming back in. All right, we're good. Okay, keep going.

Phillip Ash: Yeah, exactly.

Jaime Tardy: Oh, that makes perfect sense and that helps though too because technically, I mean, there's always gonna be something else, right. There's always gonna be the new hot thing that's gonna be the coolest thing that we're gonna have to all get up to speed on eventually anyway. It is interesting going to TNC over and over and over again. And like one year they're talking about this and the next year they're talking about this. It's just evolutionary and we kinda have to stay up on the trends. So I love hearing that you're like, oh no, we're going after those, we just haven't tested them yet.

Phillip Ash: Yeah, and you know, Gary Vee was talking about it. It's so easy to make excuses really about any strategy or tactic that you're not pursuing in your business. A lot of these social media platforms may only be around or may only really be hot for like a two-year window. So it's easy to say, why should I even bother learning that because it's gonna disappear. And his answer was kind of; well, because you can really crush it for those two years. And it's like you need to build a mindset in your business that we're gonna be really good at constantly learning new platforms and evolving. And others are just gonna get left behind.

Jaime Tardy: Yeah, I was just doing a Periscope right before we hopped on the interview. I interviewed Jay Baer earlier today and he was like, we need to do an eight-hour Blab together. It's like, it's insane how many new different technologies there are and how we're trying to catch up as much as we possibly can. Have you been doing any Periscope or Blab or any live streaming stuff?

Phillip Ash: So Blab is new to me. I'll have to go figure that one out. When I first heard of Periscope roughly nine months ago, yes, I immediately went and opened an account. I put up two videos and I haven't touched it since.

Jaime Tardy: Good. Everybody wants to hear that from you though because I think that's the fallacy, right. Everybody's like, well, you have a team, you have the money to be able to invest in this stuff. You must be on everything. And it's like, well, no, I did it for a minute too and then left it because I feel like everybody does that. There's only so much time in a day, there's only so much attention that we have after something. So thank you for saying that because it makes **[inaudible] [00:41:02]** feel better about themselves.

Phillip Ash: Yeah, yeah.

Jaime Tardy: Awesome. I know we have to start wrapping up. So the last question I always ask is, what's one action listeners can take this week to help move them forward towards their goal of a million?

Phillip Ash: So something people do not do is actually figure out what their goal is. I know you just said a million but the retirement goal. And it's a number that's gonna allow you to live comfortably and retire at an age you wanna retire at. Now if you're an entrepreneur you probably never wanna retire but humor me for a moment.

So the first step is go do about three or four or five online retirement calculators. Do a search, there's hundreds of them. If you go to BatonInvesting.com we have one as well. And they'll give you different answers but you'll get an idea of the range. So figure out what your number is.

As part of that calculation, it will tell you what annual average interest rate or return you need to get to your goal by desired age. If that number is less than – is 9 percent or less, than my suggestion, if you wanna invest in stocks, is just put all your money in an S & P 500 index fund because – and use that two-bucket strategy I mentioned. Because that is the historical average of the S & P 500 over any kinda long term period.

If you need more than 9 percent to hit your goal, that's where Baton investing and perhaps other platforms like us do come into play.

Jaime Tardy: That's awesome. And everybody that's listening, it most likely is going to be more than a million that you need. That's the reason why I started this site by the way, or one of the reasons, because I did that calculator way back when. I was like, I need $3.5 million when I'm 65 just to live at like a 50 something thousand a year. It wasn't even a ridiculous amount of money with inflation and everything. I'm like, we all have to be millionaires. How sad is that?

Phillip Ash: Yeah, I mean, my number's 7 million but I'd say for the average bear it's probably 2 to 3 million at least. You know, a million isn't what it used to be.

Jaime Tardy: Well, that's the thing, I want it to be way more than – like, I don't want it to be only be $50,000 a year. That's not the retirement I wanna live on, right, especially as we're living longer and longer and longer. I wanna live until I'm 120.

Phillip Ash: My grandmother's 95 so I know I'm gonna need money for 30 years in retirement.

Jaime Tardy: At least, right, with the state of technology. And hopefully we're gonna be living even longer. You don't wanna run out of money when you're like 100 years old.

Phillip Ash: Yeah.

Jaime Tardy: I mean, fuck.

Phillip Ash: No, I mean, I don't really like tuna fish that much now but eating canned tuna or dog food or whatever in your golden years isn't my **[inaudible] [00:43:38]** –

Jaime Tardy: Exactly. Want to make all the money right now, invest it the right way. Thank you so much for coming on the show today. Where can we find out more about you and your site?

Phillip Ash: Yeah, you can go on the web to Baton B-A-T-O-N Investing.com or if you wanna try our service with a two-month free trial you can download the app on either the Apple store or the Google store and get a two-month free trial.

Jaime Tardy: Killer. Thank you so much for coming on the show today. I really appreciate it.

Phillip Ash: Yeah, thank you Jaime. Take care.

[End of Audio]

Duration: 39 minutes