

## MI\_Billy\_Murphy\_2\_1

**Jaime:** I have Billy Murphy on Millionaire Insiders today and I am specifically asking him what he does to go through and validate his business ideas. He just launched something new and I asked him the step by step formula that he used in order to find out if it was a good investment of his time and his money. Stay tuned.

**Jaime:** What we really want to do right now is dive deep into exactly what he did to validate his idea. We were just talking about eComLab, which is something that you recently launched – how did you, A) get the idea and B) validate it? Go through the steps that you took.

**Billy:** I initially started thinking about the idea because I started launching ecommerce stores in 2011 and it was pretty difficult to know where all the answers were. I knew I wanted to do it and luckily for me I had a buddy who was doing really well out of it so every time I ran into an issue and I didn't know what the answer was I would just call him. People always ask me 'How did you get into ecommerce stores? How can I do that too?' and I just say it's easy – you just open a store – but then I go back and realize that it was easy for me because I could just call a buddy who was killing it and get all of the answers. So I knew that there was a gap because people were asking the same questions that I was asking when I started so I realized that there was a need for it. then I put out a blog last year that basically talked about my adventures in ecommerce and the first post was 'How to Get Lucky in Ecommerce' and I just listed four stories about how I got certain skills, how I started certain niches, and I got hundreds of comments and probably a hundred e-mails from that one post and my blog was only a few weeks old. So there was clearly an even bigger need that I even thought. I was already on the fence about starting something so that made me think 'Okay, I'm going to start it.' But before I started it, I wanted to do more due diligence so I cold called and e-mailed around a hundred business owners in the ecommerce store space, so people who had the platforms, like Bigcommerce, Shopify, Illusion. I talked to people who had apps and people who had stores and pick everyone's brain.

**Jaime:** How would you do that? Because usually just calling people up and saying 'I want to pick your brain' doesn't go over very well. So how did you do that?

**Billy:** I had an assistant who e-mailed them and say 'My boss, Billy, is interested in doing a call with you.' She would set it up so that they knew I wasn't trying to sell anything; she would say something along the lines of 'He just wants to network. He's an ecommerce store owner who's getting into this space on the service side of the business and would love to just chat and network with you for a couple of minutes.' We got a pretty good response. Obviously some people didn't know what it was about so they didn't do it, but most people were willing to do it. I didn't have a blog until last year but I think having the blog and showing at least some of your thoughts and ideas on your blog helps because then people can look at it and see what you're about. I think that raised the percentage of people who would do a call with me. One of the people I tried to get a call with, I sent her an e-mail saying 'I love the stuff that you're doing. I've love to just call you and chat with you for a few minutes.' I get those kinds of e-mails all the time and I just delete them all. She wrote me back and said 'I get these requests all the time,' and I get an e-mail back 30 minutes later saying 'I didn't know you were the Billy from Forever Jobless – I'd love to do a call with you, here are my details.' I was like

'Are you serious? I'm the same person.' So that kind of opened my eyes; I guess there are some benefits to having a blog. So I think that helps to get a higher response rate from people. I would just call them up and give them a 20 second pitch, which was something along the lines of 'I don't know how much stuff I told you, but basically I've been in the ecommerce space for the last couple of years, I'm thinking of getting into the service side of the business and I really just wanted to touch base, find out more about what you're doing and just get your feedback on what I'm thinking about doing.' That was it; I opened like that so that they knew I wasn't there to sell them anything, it was just two people in the ecommerce space having a chat. I had a lot of really good conversations. A lot of people would just tell me things for 30 minutes or an hour, everything they knew about the space, so it worked out really well.

**Jaime:** So you had all of these calls set up – how many did you do before you were sure?

**Billy:** I'm not sure. I was pretty sure I was going to do it after the first dozen or so, but I kept doing them because I kept learning more as I did them. The more calls I did the more I thought about potentially doing other business ideas instead because of all the feedback I was doing on the calls. The calls pretty much confirmed everything that I thought about it – it was going to be a very hard business to market because the ecommerce market is very fragmented. I knew that going in, but a lot of people said if you can crack it and figure out how to do that, there's clearly a need. Everyone agreed that there was a need but everyone said 'We don't know how you would market that.' It's very 'chicken and egg' because of the fragmented market. The calls essentially confirmed what I thought and I was okay with the risk so I just did it.

**Jaime:** What made you say that you were okay with the risk? Because if lots of people say 'I don't know about the marketing,' and you know you can do your due diligence as much as you possibly can, you know there's a need there, but a big piece is being able to reach the people that have that need. I know you just launched it recently so it's not as though we can go through data – maybe we can have you back on and we can go through data later – but just in general, how did you make that leap? That is a lot of risk.

**Billy:** As you know, I'm really mathematical. For any business project I go into I calculate a rough EV, which is expected value. I don't calculate it on whether I might fail or succeed; I calculate it on the EV. The risk of making a site like that might be that I lose five figures if it doesn't go well, and I'm okay with that risk. However, if it works out, and I can figure it out, it's a type of business that, no question, would be making five figures a month, passably, after some time – after you've set it up and scaled it, it would work like that. In other words, the worst case scenario, if no one ever bought it, if no one ever visited the site, I would lose low five figures. A good case scenario where it worked and I figured out the marketing angle, that's a business that's definitely going to make five figures a month and could be on autopilot after a certain time. I viewed it like that and that's the kind of risk that I was okay with. Maybe if I had done much bigger projects before maybe I would say that it's not worth my time if it's not making six figures a month, but having the chance to set up a business that makes five figures a month passably is worth my time.

**Jaime:** I hope you enjoyed the video with Billy so far. We had some technical difficulties so I want you to go ahead, click over and enjoy part two, where he goes into the EV. Find out what it is and why it is so important to what he calls 'millionaire math'.