

Jaime: Welcome to Eventual Millionaire. I'm Jaime Masters and on the show, we have back Nathan Hirsch. Now he was part of FreeUp before and he sold the company. It's one of my favorite things to have somebody back on after they sold the company. Now he runs Out Source School dot com. Thanks so much for coming on the show today.

Nathan: Yeah. Thanks for having me back. Excited to be here.

Jaime: Yeah. I was trying to email you at your old email address and they're like, "Yeah, he's sold the company." I was like, "Oh, I love it when that happens." So, tell me a little bit about that transition.

Nathan: Yeah, so, I mean, I really love FreeUp. We still love FreeUp. I don't think we went into – I know we didn't go into 2019 thinking, "Hey, by the end of the year, we need to unload this thing." But we were busy growing FreeUp and one of our clients, the HOTH reached out to us and they said, "Hey, we love FreeUp. We've used FreeUp for a while. We want to get into the VA, the freelancer space. We don't want to build it from scratch. Would you guys be interested in being acquired?"

And like anything that comes across our desk, we heard them out and they had a ton of questions. They ended up presenting us with an offer that we thought was more than fair, if not aggressive. And then the due diligence began. They had a million questions for us. We had just as many questions for them.

We wanted to make sure that we weren't selling the company to someone who was going to drive it into the ground or hurt our partnerships, our relationships that we had spent years building. We wanted someone that would treat our internal team well, and they had a long-term vision.

And that had experience scaling businesses bigger than us because to be honest, we got FreeUp to \$12 million a year. What it takes to get from zero to 12 is not the same of what it takes to get from 12 to 25. And they'd bought numerous other companies. We were very impressed with how they scale businesses. We got to visit their office, which is like an hour and a half from me and see how they treat people. And they've won employer of the year X amount of years in a row.

And so, we were super impressed. And from there, I mean, they wanted to know how every single part of the business works. And we had really good SOPs, which I think was a good thing on our

side. And once we got through the due diligence and we got through the mind-numbing part, which was the lawyers getting involved, which wasn't their fault, wasn't our fault. It was just two lawyers doing their thing.

And we really wanted to make sure, hey, how do we make sure this is a win-win-win for everyone? Because we knew it'd benefit them. We knew it'd benefit Connor and I. We felt like they had that long-term vision to help the clients and the freelancers. But we wanted to make sure that the internal team didn't get screwed over in all of this.

So, we made sure all their jobs are secure, all their bonus and raise programs were still in place. That was part of our agreement. And we took \$500,000 from the sale and gave it to our team in the Philippines to make sure that they were taken care of.

So, once they were cool with all of that, and we felt like we created a win-win-win for everyone. It's tough to turn down something that you feel like is a win for everyone and we made that decision.

Jaime: Okay, well you need to break that down just a little bit. We're going to talk about Outsource School too, but when did you actually start FreeeUp? What year did you start it?

Nathan: It was four years ago. So, 2016-ish. Maybe end of 2015. Yeah.

Jaime: See, so that's really impressive to go, oh, zero to 12 million in four years. Number one, that's really impressive. Number two, did you build it to sell? Were you always planning on selling, you just didn't know exactly when?

Nathan: I wouldn't say we built it to sell it. I mean, we always build businesses with the right systems and processes so they are sellable, so that it runs without us. So, that part we did from the beginning. But my logical brain, I mean, there's only so many things you do with the business, right?

You either run it forever. You run it into the ground, which hopefully you don't do. You get investors, which I personally don't want to do because I don't want to feel like I'm working or reporting for someone else. Or you sell it. I mean, give or take those are really the only options. So, it was definitely an option that was on the table, but we never go into it being like, we need to sell this thing in four years.

Jaime: But we're you going like, hey, and did you do visioning? Or when you're setting your long-term goals in 10 years, like, Oh, we know we want to sell it so therefore later it will be that?

Nathan: No, I mean that wasn't really part of it. I mean, we always built it to sell. We built it to scale it and not involve us and make it so it could run without us but that wasn't part of our vision. Just like with Outsource School now. We're not really talking about selling it in 10 years, four years, five years, whatever. But we're building it to be sellable from the beginning and I think that's incredibly important.

Jaime: Well, because that's good business, right? You're like, "Okay, well if I died and I'm not there anymore," then of course you need the SOPs. Of course, you need it to run on your own anyway. But it's just really interesting that it swooped up and now you're in a totally different space than you thought you would be back in 2019 when we chatted last time. Its like, "Oh, now I don't have that. Now I have something else." But you were allowed to actually do Outsource School that you didn't have like a noncompete that didn't count as part of it?

Nathan: Yeah. Well we have a great relationship with the new owners. I mean Outsource School does not offer VA services or freelancer services. That's all with them and we're actually partnered with them. So, we provide education and we can talk about Outsource School in a little bit. And we have a membership and all that. And we're also building VA software.

So, it doesn't directly compete. They just sent out an email blast to their list. They promote us in our courses and we refer people to FreeeUp. And you can take our stuff and go somewhere else and get a VA too. But I mean, we're obviously biased. We built FreeeUp, but we're now clients of FreeeUp, which is a little bit weird. We get all of our VAs all of our freelancers there.

So, we firmly believe in them and what they're doing. And we have the mentality that listen, you can go to FreeeUp and get a really great VA. But if you don't know what to do with that VA after the fact, it only does so much good. And that's really where Outsource School comes in.

Jaime: What made you never diversify in FreeeUp and actually do the training? Because you're doing so many of the other pieces. You have the exact same audience. You could have just done the courses and the training and the membership through FreeeUp but

you didn't. Why didn't you?

Nathan: Yeah. Great question. I think for whatever reason, Connor and I have always been very focused on one business when we're growing it. And I'm not 100% if that's good or bad, but even with Amazon, when we were doing Amazon, we sold \$25 million on Amazon, we were just doing Amazon.

We weren't exploring other businesses. I know a lot of entrepreneurs are like, "Hey, I have all these great ideas. And I get pulled in different directions." For whatever reason, I'm not like that. I have one idea and I just do that and scale that until I'm no longer doing it. And then I focus on the next one.

So, that might just be how my brain works. But I mean, you have to remember, FreeeUp was growing. FreeeUp was scaling very quickly. We went from 5,000 to a million, to 5 million, to 9 million, to 12 million.

So, when you're growing that quickly, it's tough to be like, "Oh, let's take some of that time and focus towards something else that we're not 100% sure that that's going to work. Let's just put all our effort towards this and see how quickly we can grow it."

Jaime: That is something that I've heard over and over and over again on the Millionaire interviews. And yet is extremely rare when it comes to actual entrepreneurs where they're like, "Oh, I have 12 things going. One of these are going to take off." It's like, "Ah, no." It's that energy in one forward motion.

But it also made it probably way easier for the sale. Because if you had all the other assets in it when you were to sell it, it would be not as simple as starting Outsource School right now. Even though you had all the intellectual property behind the scenes, I'm assuming.

Nathan: Yeah. And I think that was one of the hardest parts because the selling process took four to six months-ish, depending on how you look at it. And during that time, I mean they can back out at any given time. Right. Nothing's a done deal.

So, we didn't want to just have them back out last minute and then we just haven't been paying attention to the business for the past four months and things are going poorly. So, Connor and I, Connor's my business partner, we would keep each other very focused and make sure that we were focused on FreeeUp. And really pretending like we weren't selling this thing. And working

on projects, building it just like we would if it didn't sell. And to our credit, the last month before we sold FreeUp was our best month ever.

So, we really stayed focused and a lot of people asked me, "Hey, did Outsource School come about, we're you building this the last year?" And honestly, it didn't really happen until we started that 90-day transition. And the first two weeks they needed us a lot. We were working 40, 50 hours a week. And the second and third week they needed us a little bit less and a little bit less the following week.

And so, then we started brainstorming and we had people start reaching out to us saying, "Hey, can you help us? Can you teach us your systems, your processes for interviewing, onboarding, training and managing?" And we had put out blog posts and podcasts and stuff like that, but we never did a deep dive. And that's when the idea of our course cracking the VA code came about under the brand Outsource School and we launched that and like any new business, you never know if people are going to like it or hate it or something in between.

And fortunately, enough people liked it. And so, we started building out these mini courses, all about operations and marketing and how to implement VA's into bookkeeping and lead generation and doc links and podcasts and all of that. And we kind of combined into one membership where if you buy our main course, you get a year access to every other course we come out with, building out a community, a year of support if you need help, and all of that. So, the idea kind of solely came together over time, along with getting feedback from the people that we were selling to.

Jaime:

Okay. I have questions about that, but before we go into that, how many hours, because this is the thing that I think people don't understand that do you want to sell their business, but are like, "Okay, when that happens, I'll deal with it later." But the amount of hours, if you were to think of that four to six month period, now again, it can last a lot longer than that too people just say, "No, here we had a buyer," especially if you're shopping around and having more people, it's just such a long process. How many hours do you think you spend a week just on the due diligence and dealing with everything in addition to all the other work that you were doing?

Nathan:

So, the one thing I think we had going in our advantage is we had

all these SOPs, we had VA's that had took ownership of these SOPs and they'd kept them up to date over time. So, whenever they would send over due diligence questions, and it felt like we were getting like five to 10 new questions every other day, we had all this stuff ready to go. It took us five minutes to say, "Hey, how does billing work? Here's a 50-page SOP on how billing works."

And so, all of that was pretty quick. It honestly was probably about an hour or two every single day as we were waiting for lawyers or other people. Maybe we had a day here and there where we didn't have to do anything, but we definitely weren't spending eight hours a day or anything like that. And I think we were fortunate enough that we weren't really actively seeking a buyer because I could see that taking up a lot of time as well. We kind of always have the position that, "Hey, our focus is growing FreeeUp." That's where we're spending all our time. If someone wants to come and make an offer, we'll hear them out, but we're not going to stop what we're doing to go out and search it and find someone.

Jaime: Which is so smart. And it's so funny because you had such an amazing, easy "transition," and it still took five, 10 hours a week. And that's the thing that I just want to highlight for people because sometimes it's like, "Oh yeah, this is going to be easy. And you had the easiest. Somebody came to you, you liked them, they liked you," we had not a lot of meanness, and not meanness, but you know what I mean, little pieces that really kind of hung up a lot of different things. And it was still five to 10 hours a week. So, just so everybody's clear, it does take a lot of time. Totally worth it though.

So, now when we move into outsource school, what's interesting is didn't you have the inkling though beforehand? I mean, come on, this is your industry, you know about it. Did you think of outsource school way in the beginning and go, "We could totally do that really, really simply," or were you starting from scratch in the transition and going, "We could do any business. We know we want to do something. What is it going to be?"

Nathan: Yeah, honestly, we didn't. We were just a hundred percent focused on FreeeUp. And even when we sold FreeeUp, my business partner and I, we sat down on the first conversation we had is, "Hey, do we even want to keep working together?" Did we drive each other crazy for the past seven years? And fortunate enough, I wanted to work with Connor and he wanted to keep working with me. So, that was conversation one. And then conversation two was "All right, what do we want to do next?" Do we want to get into real

estate? Do we want to stay in the VA space? Do we want to go do another online business? Like what are the options?

And we did a lot of research. We listened, I listened to hours and hours of real estate podcasts, and we started reading different books. We started doing research into different things. And we also had these people reaching out to us about the training, which is really the idea came from them, not from us. For whatever reason, we didn't really think of it.

So, once people started reaching out and we started talking about all these things, we said, "You know what, let's build this course. Let's put our heart and soul into it and make sure it's really good and we'll release it. And if it fails, okay, we wasted 30 days or whatever. And if it didn't or if it goes really well, then maybe we're onto something and we build it out from there."

But I don't think we ever wanted to just be someone who sells courses. I think that's just not what we wanted to do. And I think the whole membership, plus that's SOP building software and we want to build this VA toolbox of software that compliments the education and adds a lot of value to our members, to me, that's a lot more intriguing than just selling a lot of one-off courses.

Jaime: That makes so much sense. So, tell me a little bit more about what your goals are, and especially because we're recording this in May, COVID craziness comes up as you're starting your brand-new business. So, what are you doing? How is it going? Give me some updates.

Nathan: Yeah. So, we actually launched our main course the week of COVID, the week of locked down, that weekend that Tom Hanks got Corona and everyone started freaking out, which is a weird time to launch a business, but we did pretty well. We have 150 members right now as part of our community when we're, I don't know, 90 days old. So, things are going well.

We're kind of just focused in building mode, like head down, let's take this time as an opportunity to build out these courses. We hired a customer experience— I forget her title, titles don't really matter to us, but she's building out the backend and she has a lot of experience with memberships to make sure that that's worthwhile. We have our developer, the same developer who built FreeeUp, building this SOP software and he has his head down working on that.

So, it's kind of like hey, we're doing well. We don't really have anything to compare it to because we don't know what it would be if we didn't have Corona, we don't have any last year sales to compare it to. So, that part's a little weird. And I think that there's been things that go well, and then obviously like any business there's things you try that don't work. And I think the toughest part is when the things don't work, you're like, is this not work because it doesn't make sense for the business or is this not working because of COVID? And I think that's what makes it a little bit weird.

But yeah, we're excited about it. We got four people going forward with it. We have a great team of VA's that we're kind of building from scratch. And the last thing that I'll kind of add there is with my Amazon business, we had to learn how to hire. We didn't know how to hire. We spent five years doing that. We created a good system. With FreeUp, we how to hire. So, we did that right away, but we didn't know anything about marketing. We didn't have to do that with the Amazon business.

So, we had to learn all these organic marketing tactics from podcasts to content, to backlinks and SEO, and that took us a year or two years, whatever. But now going into outdoor school, we know how to hire, we have an organic marketing playbook. So, we're trying to implement everything that took two years in FreeUp to the six months in outdoor school, but we've never run a membership site before. So, that's the part we're learning. So, you're kind of taking the stuff you already know, implementing it faster while adding a new piece.

Jaime: I always talk to clients about that too. I'm like, "Do you remember?" It adds up. At 10 years from now, you're going to learn so much. It's going to be so much easier because you had so much other knowledge. It doesn't go away, thank goodness, especially from business to business, though it does, it gets you more excited to learn some of the new stuff.

So, when you were creating the course and the membership site, how long did it actually take you? Because you technically had all the industry knowledge because you've been doing it for so long, but how long did it take you to actually create?

Nathan: Sorry you cut out— Oh, there you go. The actual course itself, it's funny, I've never been a person to sit down and just do something for eight hours. It's just not my personality. Even filming a course, I'm not just feeling eight hours of videos. What I do is I film one

video a day or write one script a day. Even right now, I'm working on this bookkeeping course, right after this, I'm going to film one video and tomorrow I'm going to film one more video. So, yeah, it might take 30 or 60 days, but how much time am I actually spending per day? Not that much.

So, it took us 30 to 60 days to build that initial course. Now it's kind of our full-time job. My life's pretty flexible and remote and I'm stuck inside anyway, so we're kind of just building it out. I don't think we're where we want to be either. We have a lot of work to do when we're building this membership, but we plan on launching pretty much a new course or new playbook every single month going forward.

Jaime: Do you any tips or hacks or anything like that to make it easier or better or faster?

Nathan: Yeah. So, one thing that I learned, I learned a lot of things from FreeeUp. I had weeks at FreeeUp where I would have five podcasts a day for like five days and I would go insane. By Friday, I didn't want to talk to anyone and I was miserable. And so, I learned a valuable lesson not to do that and limit myself to one podcast a day and that's kind of what I'm doing.

But also, what time of the day I'm most productive. I'm most productive from 7:00 a.m. To 9:00 a.m. That's just me. So, from 7:00 a.m. To 9:00 a.m. I don't have any podcasts, I have no phone calls, that's my time for me to just get stuff done. Whatever the most important thing is, whether it's training a VA, planning, working on a course. Whatever it is, that's what I'm doing.

From 9:00 to 10:00 a.m. I like to work out, get that done early in the morning. And then by the time I come back at 10:00, from 10:00 to 11:00 I have another good hour of getting stuff done. Maybe not my best hour, but a solid hour.

Then I learned that, "Hey, I like doing that one podcast between 11:00 to 2:00 o'clock." We're filming this at 11:00 a.m. my time. I don't like doing podcasts early in the morning. I don't like doing them at 06:00 at night when I'm already tired. So, that's my time. And then I load up my phone calls after that.

So, again, I'm doing small, consistent things and we can talk about networking, organic marketing and certain things I do every single day, little by little. But more importantly, I'm figuring out what do I like doing? When am I most productive at certain times? And

scheduling my days accordingly.

Jaime: Does that ever change? Is that something that stays very consistent or no?

Nathan: Yeah. It's changed over time. I think right now I'm in a good routine that I like, but I might wake up in six months and for whatever reason want to change something, but this is something that you kind of continue to tweak. I mean, I've been an entrepreneur since I was 20. When I was 20, I definitely wasn't waking up at 7:00 a.m. To get stuff done. That just didn't happen. So, things kind of evolve and change as you get older.

Jaime: Yes, they do definitely. Am I allowed to ask, how old are you now?

Nathan: I just turned 31 a few weeks ago.

Jaime: That's eleven years. Well, happy birthday. That's awesome. And of course, we are going to talk about the marketing, especially with how much and how fast you grew FreeUp. I bet it's really cool to come in with that knowledge already and make a whole plan. So, do you mind sharing what the marketing and the plan is that you have for Outsource School?

Nathan: Yeah, and the thing to remember is we spent almost no money on ads for the entire four years. By the end of it, we were spending a thousand dollars a month on ads and that was just re-targeting ads, nothing else. So, we really grew this entire business organically.

And this exact playbook that I'm going to go over here is what we're teaching in Outsource School. How to hire VA's for these exact things that you can implement in your business. So, the first thing is an affiliate program. One of the best business ideas I've ever had is when we started FreeUp, any client you refer you get 50 cents for every hour that we bill to them forever.

And not only did we have that on the site, super clear, super easy. At the end of every phone call of every client that I had for the four years, I would say, "Oh, by the way, we have this great affiliate program." Let them know. And when I finally trained VA's to take phone calls for me, they had to say that at the end of every phone call. So, have an affiliate program –

Jaime: I have to stop you, because I remember you saying that to me at the end of the last interview. And I was like, "Oh, I mean, sure."

And we signed and I recommended it to clients. And I was like, genius. I mean, I know it's typical and we understand, but the way that you did it so consistently. You would follow up, because I'm slow, so you'd email the team and then be like, "Hey, you know, you still have this thing." It's like you guys were so good at that.

Anyway, continue. I felt it. It was great.

Nathan:

I appreciate that. And what was weird was, so we launched that and then a few months later, people are like, "Oh, I was at this conference in China and someone told me I should sign up for FreeUp." And I was like, "All right, well, that's cool. I've never been to China. People are talking about it."

So, you get that there, it's on your website, it's clear, you're telling everyone. Next is podcasts. Podcasts, no matter what industry you're in, if you're not doing a podcast a week you're really missing out. And podcasts are not only great for building relationships with hosts, I mean, you and I have built a relationship over the years, but it's good for getting in front of thousands of people at once. Hopefully your ideal target.

But it's also good for backlinks. It's good for SEO. It's good for a snowballing effect where you go on podcasts and it gets you on bigger ones and introduces you to bigger connections. So, podcast is a key and we have a course called the podcast outreach formula, which teaches you how to have VA's do all the research for you and all that.

Next is putting out content consistently. Anyone that follows me on LinkedIn, on Facebook, I put out three posts a day on all channels. I write them earlier in the week. I post them. That's pretty self-explanatory.

Next is partnerships. So, this is a key. We just launched our partnership playbook, which walks us through how we organize this with the VA. But we look for other people in the space that have the same target audience, but they don't do the same thing as us.

So, we started off in the Amazon space. We went for Amazon sellers. We went to Amazon software companies and said, "Hey, you don't offer VA services. We don't offer Amazon software. Let's do some blog swaps. Let's do some email blasts. Let's do some webinars." We even did some joint networking VIPs at parties at conferences, you can get really creative there. But

establishing those partnerships where you're constantly promoting people is incredibly important. And I'll let you jump in before I keep going.

Jaime: I was totally going to ask you about partnerships. So, how do you make those work? Because a lot of people will be like, "Oh, we'll start with a partnership," but then they don't hold up their end of the bargain or they're hard to get, or tit for tat. How did you actually – Give us some tips on the partnership side?

Nathan: So, first you have to understand what you can actually handle. Because if you had a hundred partnerships tomorrow and they all needed guest blog posts every single month, you better have a ton of writers ready to go. So, understanding what you can actually handle is important.

From there, you want to make it as easy as possible for the partner. I mean, counting on them to remember to do stuff doesn't work. So, you have to have it organized on your end and decide what the frequency is. Is it every quarter? Is it every half year? Is it every year? And you also need a way to evaluate partners because ideally you want partners under the same size as you or bigger. You don't want to do a monthly blog post with someone who has five people in their Facebook group. That doesn't make sense. So, figuring that out is important.

And once you get those things in place, having a VA that organizes all of it that says, "Hey, it's been six months, let's reach out to this partner and see what they want do." And then make sure you have the person on your end to set up the webinar or do the podcast or write the blog post. That's how we do it. We get that partnership set up, but we have all the frequency things. We make it easy for them. And then we have a VA manage it ongoing.

Jaime: Yeah. That makes perfect sense and then you can tweak it as you go too. How do you find out how big the partners are? Because I know that's always a thing, it's like, "Oh, well how big is their list? We don't really know right now. We're starting to do research."

Nathan: Yeah. I mean, there's a research component and you could ask some questions on the phone and stuff like that. And the truth is that that list size doesn't mean everything. I mean, I've had people that had a huge list and for whatever reason, people didn't sign up as FreeUp clients. And I remember I went on this very niche podcast that had a very small amount of listeners and everyone signed up to be FreeUp clients.

So, not always end all and be all. It takes a little tweaking. It takes a little bit of figuring out your customer avatar and what are your ideal partnerships?

Jaime: And you guys were amazing. I've gotten so many emails from you. That's why I thought you were still at FreeUp. I was like, "I just feel like I get emails from you guys all the time." With reminders of, "Hey, we can totally do a guest post. We can do this, we can do that." And I kept boomeranging it just so you know, because I'd be like "Later, okay thanks, you guys are awesome." And you did, you ended up writing a guest post for me too, which I really appreciate. But that continuous follow-up, what was your system for that? Was that you every single time or was that somebody else doing it?

Nathan: So, we never have VA's pretend to be us, that's been something forever. So, if it says, "Hey, this is Nathan Hirsch", it's always Nathan Hirsch. Connor, my business partner usually handles the partnerships. So, my guess is that emails were coming from him. But the VA will manage it all and then he'll say, "Hey Connor, these are three people that we're scheduled to do a partnership with." And then Connor would do the quick reach out.

So, if you think of everything that we talk about in this organic marketing playbook as 100%, the VA's doing like 90%. You or someone else on your team is doing that last 10%, whether it's showing up for the podcast or reaching out with that partnership email, or showing up to a client call. But the VA's doing the before and sometimes even the after I'm on this podcast, you're going to get an email saying, "Hey, thanks for having me on, here are the links," and that comes from VA. So, getting it to where they're doing 90% and you're doing 10% is key.

Jaime: Yeah. And you've learned that. You've done very, very good job. So, the good news is, is that you practice what you preach, which I really appreciate. So, you're not creating a course and going like, "Oh yeah, do this," and you don't actually have experience, so thank you for that.

I want to switch over a little bit and talk about the actual outsourcing side of things because what happens, and like we talked about with skillsets sort of building on each other, you will get better and better and better at managing and delegating once you've done it for a little while, but people that are in the first year or so, sometimes it can be painful. So, if you could give us some

tips, especially for somebody who's maybe micromanaging or doesn't trust their team, give me a couple of tips on where they can start to try and get better.

Nathan:

Yeah. So, I think the first thing I always like to establish is you're never going to get the day exactly right that you're supposed to start outsourcing, right? Everyone's always like, "Oh, when's the right time to outsource?" You're not going to nail it on the day. You're either going to do it too early, or you're going to do it too late. It's going to be one or the other. You just have to pick which one you want.

And there's pros and cons to each, just like anything else. If you start too early or you're spending money, maybe before you need it, like I hired a bookkeeper before we even had revenue. It was something that I knew I wanted to have a bookkeeper for five hours a month to be on top of our numbers. And if it didn't work out, then I paid for that month. And depending on where you are in your business or your life, that, that money may or may not matter.

Then if you're going too late, there's just an opportunity cost that you missed by doing the stuff in your day to day operations instead of growing your business. So, you got to pick one or the other. The average entrepreneur just loves to add stuff to their plate over and over and forgets to delegate. And what I encourage people to do is to set up a 90-day rule where you're not doing any repetitive tasks longer than 90 days without delegating it. And that doesn't mean you have to delegate it to someone full time. You can hire someone for an hour a week, five hours a month, 10 hours a week, whatever you want. But that first month you're throwing stuff against the wall. You're seeing what's working. You're seeing what doesn't work.

That second month, you have a pretty good idea of what doesn't work and you're starting to create some SOPs. Maybe you start interviewing a VA. You hire them by the end of the month. That third month you, you onboard them, get them going, train them, iron out the kinks, and then it's off your plate. And if you're consistently taking something, turning into a process, delegating it, taking something else, that's how you scale a business. That's how you grow.

Jaime:

Okay. So, one for the people that hold on to things. So, I have lots of clients and they're usually like, "So, I get that, but by the time I upload the video, I could have just edited it faster," and blah, blah. We have all of the head junk around all that. So, tell me more

about what you say to that.

Nathan:

Yeah. That whole mindset, it's faster to just do it myself, I always just cringe a little bit whenever I hear it. I'm sure you do too because it's such short-term thinking. Yes, you're going to have to make a short-term investment. You're not just going to snap your fingers and have a VA ready to go that reads your mind, but it's for the long-term gain. And it's all about relocating hours. How do I take five hours a week and move it from day to day repetitive to revenue driving? Or if you're someone that works 80 hours a week, how do I move that five hours a week from day to day to spending more time with my family? Whatever it is.

So, for me create a list of everything you do on a day to day, week to week, month to month basis. Put down, "Hey, this takes five hours, three hours," whatever it is per week, prioritize it from easiest to hardest. I personally prioritize it by things I hate doing the most. That's just where I am as an entrepreneur right now, but I don't recommend starting that way. I would start with the easiest thing. And focus on just a small amount of hours. How do I relocate them? And let's say you hire a VA for five hours a week to take customer service emails off your plate. You're going to learn a lot, you're going to improve your process, your systems, you're going to hopefully build trust with that VA.

And once you trust a VA and they take that stuff off your plate, that's when it becomes addicting. That's when you're like, "Oh my God, let's take this next thing off and next thing off." But you got to start small. And even now, with FreeUp, we didn't just wake up one day and hire 35 full time VAs. We started small and built it up. And Outsource School, I have a bookkeeper for five hours a month. We're about to increase our hours because we just ran a good Mother's Day sale and now we can do that. And then with Anna, who's my assistant, she started off at 10, then went to 20 and now we're building her up to full time. So, we're doing the same thing. You don't have to dive in and hire everyone for 40 hours a week.

Jaime:

That's a really big point, especially when you have the cash and the experience and you still didn't even hire a full time. You weren't like, "Yes, I know I hate all this stuff." So, therefore you're still building her up based on the revenue, which I think is important. So, the trust factor though because I think, especially for people that are greener with the management side and never have had management before, it's like, "Is it a me problem or is it a them problem?" And there's a very gray area of who's doing what. And a

lot of the times, unfortunately, as an entrepreneur, you're like, "They suck," finger pointing, right? But when that happens, how can we really judge because it's such a gray area? Do we fire them? Or is it something that they need to improve on? Is it a process thing? How do you figure that out?

Nathan:

So, almost every issue down the line when you don't know whether someone's doing it right or wrong or getting frustrated by a VA, can be fixed by spending more time setting expectations up front. So, when we're talking about hiring, most people know you have to interview someone before you hire them. Most people know you have to train a VA and most people know on some level, you have to manage them after the fact. But what everyone messes up is the onboarding, and this is the key.

So, I'll give you an example. Let's say you interview three virtual assistants. You want to hire Jane. You want to hire Jane at five bucks an hour. And the average entrepreneur says, "Jane, that was a great interview. You're hired at five bucks an hour. Let's jump into training." Well, we teach people to do is to say, "Jane, that was a great interview.

We'd love to hire you at five bucks an hour. First, let's make sure you're really good with five bucks an hour, because who knows what's changed between the interview and now. Then this is what we do with bonuses and raises." So, there's no guessing game. They know what they're getting into and they're expecting their rate to go up and you have a different raise program, they're probably not going to take the job which you want.

You only want someone who's good with what you can offer. And then we're going to take you through our sick method, which is schedule issues, communication, and culture. And this is a 20- or 30-minute conversation, it's not a four-hour conversation. So, schedule, this is a schedule for us. What other clients do you have? What are their schedule? How many hours are you working a week? So, you're not getting someone that's already working a hundred hours a week. For issues, we go through computer issues, personal issues, internet power issues, and make sure, "Hey, do you have a backup plan for if your power goes out?

Can you go to a friend's house? You have a backup generator. How often do you lose power? How new is your computer? Do you have a backup computer in your house?" And we have a checklist we go through so that if two weeks in they lose power and they said that they were going to go to their friend's house and they

don't do that, you have a screenshot saying, "Hey, we already talked about this."

Communication. What tools do you use? Like Slack. Some people hate Skype. And if you had forced them use Skype, they're not going to be happy. Maybe you use Time Doctor, which I personally don't like doing, but I've seen clients that will hire someone, train them. And then they're like, "Oh, by the way, I needed to use Time Doctor going forward." And the VA is like, "Whoa, we never talked about that. Why wouldn't you tell me that upfront?" So, get on the same page there. And then whatever your culture is as well.

And then at the end of that, you give them a chance to back out because you'd much rather they back out if what you talked about is not in line with what they want and then to figure that out two months down the line. So, if you spend a little bit extra time on that onboarding setting expectations, that's what's going to save you all those issues. And you're making everything very black and white because down the line, you're not like, "Is this person following? Is this person doing what I want or is they not?" It's very clear either they are or they're not.

Jaime: Oh yes. Okay because especially with the Time Doctor, Hub staff, or whatever program you're using, I find that is so important for people that do or do not want to use it. And instead what will happen is we don't talk about it. They tell you in mid-onboarding, "Oh yeah, by the way, you need to use this." and the VA person's like, "It doesn't. Oh, I keep forgetting. Oh, blah, blah, blah. Oh – "You know what I mean? All these issues pop up and they're like, "Oh, well, I didn't tell them before. So, I feel like –" You drive yourself crazy.

You spend so much energy going back and forth on things, or what happened or what didn't, instead of actually just making it really cut and dry on what you actually care about. So, I love that sick method. That's funny. All right. So, tell me a little bit more about – Especially for each one of these SOPs that you have. I love that you're creating an SOP software, just so you know, and you can talk about that too, but how long are they? How did you create them? Tell me a little bit more about the chunking of the tasks.

Nathan: Yeah, so I mean, we have SOPs that are a page long. We have SOPs at FreeUp that were 50 pages long. But again, I didn't just spend eight hours a day writing 50-page SOPs. I started very small. And one of the key things that we do is we give VAs ownership of

the SOPs early on, for multiple reasons. First of all, when you get to a 35-person team and all of these different SOPs, Connor and I being responsible for updating the SOPs doesn't work. We're too busy. You need other people that can keep them up to date as you go.

Second, eventually you're going to want team leaders and assistant team leaders. And you don't want to have 15 VAs that all report to you. You need some kind of management style. So, you also don't want to wake up one day and be like, "Oh, I need a team leader. Who should I make the team leader?" By giving people ownership early on, you can see, are they actually handling that ownership well? And then when you want a team leader, you already know, hey, this person can handle that additional responsibility. So, I usually start with a rough draft. I usually teach the VA. I make it very clear that I want you to own this SOP, make it better over time. If we add stuff, which every startup does, your SOP is ever-evolving. And they have to keep that updated at all times.

Jaime: What do you actually put it in? Or do you use video? Tell me a little bit more, especially about the software and what you're creating? Because I found there's a lot of lacking things that come to using SOPs. It's not very intuitive.

Nathan: So, for years we've been using just Google Docs. But the reason that we don't use video is because things get outdated very, very quick. And if you have to continue to refilm videos or hire a video editor to cut stuff in, that just takes forever. And as an entrepreneur, I don't want to do it. So, what we're trying to do with our SOP software is imagine a loom that as you go through steps, you right-click every time you go to the next step, and then you can add in text at the end.

They're all there in steps. So, if you want to replace step three, you don't have to hire a video editor. You don't have to start from scratch. You can just sub in and out step three. And the VA can watch the whole video. They can just watch certain steps. You can give your VAs access, edit access, view-only access, remove access. And that's what we're really building. So, really anytime we build anything, whether it's FreeUp or Outsource School, or now there's SOP software, we really build it for us. What do we want to use as an entrepreneur?

Jaime: I've been waiting for SOPs that way. I tried WalkMe, I tried all these things and I was like, "Well, I can create it." This was years ago. And I'm like, "I don't have time to create it." So, thank you,

because it's not rocket science here, people. It should be something that already exists, and not in the corporate side. I do know that, yes, usually people make a lot more money on the corporate side. So, I totally understand software can be very, very expensive on that side. But there doesn't feel like there's any lower level for newer entrepreneurs or not even newer entrepreneurs, but small businesses. Are you seeing many competitors in that space?

Nathan:

No. I mean, we did a lot of research and we didn't find anything that was the way that we wanted it done. I think there's different amounts out there. I also don't think any of them, like you said, they're more targeted towards employees where we haven't found anything that's specifically for VAs. Because it is slightly different. So, so we're excited for that. And I have a few quick tips that'll take 30 seconds. When you're creating SOPs, make sure that you're breaking it down into three parts. The why; why you're doing this, why the task impacts the bigger picture. Who you're helping?

I always like to put success and failure there. So, if you fired three VA's, this is why the last three VA's didn't work out. This is what we're looking for. Then you dive into the steps, the one, two, three, four, and at the bottom you put the important reminders. The do-not-do list. If I hire a VA to manage my emails, hey, if my accountant or lawyer emails me, don't respond to those emails. Because a lot of people they'll hide the important stuff in step 10-part B, and then it gets missed and then they get frustrated and then they don't want to hire VA's any more. So, break it down by why, steps, important reminders.

Jaime:

Well, and what's the level of that too? Because the other piece is when they're in training mode and your employee or VA is going through the SOP, it's like, "Okay, great. Now I feel like I get the gist of it, but there could be missteps. There could be additions. There could be a whole bunch of stuff." So, how often do you have them go back through and either update it or change it or make it so that they're actually paying attention to it again? Because a lot of times what happens, we know that we have SOPs, we know they're important. Nobody actually looks at them. Nobody really updates them.

Nathan:

Yeah. So, the way that we do it, and we call it our SSS method, which is share, study, show. So, it's all about valuing your time at the highest possible level. So, we have this SOP, it could be a rough draft, and we give it to them and we pay them for their time to read the SOP. Whether it takes an hour, or we had those 50-page SOPs, we'd give them the entire week. All they do for eight hours a

day, read that SOP. We're there to support them. We're there to ask questions, but again, not taking up any of my time, it's taking up their time.

So, at the end of that week, we'll test them. And if they get 80%, great. Then we'll do the last test, which is show. We'll do a one-on-one training to get them that last 20%. And again, giving them ownership of the SOP. So, if we talk about something not on the SOP or we clarify it, they go in, they fix up that SOP. And if we test them and they get 20% of it, we'll pay them for their time. We'll be nice about it. We'll part ways. So, there's going to be someone that's a better fit.

And again, I spent a little bit of money. I can always make money back, but I didn't invest any of my time. Because what a lot of newbies do is they'll hire someone to one-on-one train them for a week. And then the VA isn't doing a great job. And they're like, "Oh, well I already invested in a week. Let's give them another week," or "Hey, do I start all over?" And that's an entire week of your life you just never get back. So, make sure that you're valuing your time at the highest possible level when you're actually implementing the SOPs.

Jaime: Yeah. Okay. I love that method. And what is the percentage that actually continue, versus you're like, "Nah, well you're fired"?

Nathan: Usually in the 70-80% range. It also depends on how good you are at writing SOPs. If you're still figuring it out and your SOPs aren't that clear, maybe that percentage is lower and you spend a little more time on the one-on-one. And we've gotten pretty good at writing SOPs. We've also just gotten – The thing that you get better at over time is just evaluating talent. And what you want to do is say, "Hey, is this person an A-player, a B-player or a C-player?" And by the time you get to the end of it, that's almost more important than what percentage they are, because we want to hire A-players. It's very tough to try to get someone who's a B-player to be an A-player.

Jaime: A million times yes. I harp on this all the time, but I just want to highlight, because a lot of people as they're going through feel like, "Oh, well I should be better and we should only be hiring A-players." But your business was hiring. You're really good at that. You're really good at SOPs. And yet still the 70-80% are actually kept. And the other 20 or 30% are not. So, please, people, understand that it is a process that you're going through and it doesn't have to be, "Well, I hired that person and they have to be

the one." Right? Because we hold on to all the time we spent hiring them.

And what you're saying instead is just try and take yourself out of the process and let the process weed them all out. So, that way we don't have to actually spend our time and energy because it is hard to find A-players.

Nathan: Exactly.

Jaime: I love it. Okay. So, I have to start wrapping up. What is one action – I know we went over a whole bunch of things. What is one action listeners can take this week to help move them forward towards their goal of a million?

Nathan: Yeah. So, this actually goes – It was the last organic marketing thing that I left out, and that's networking. The first thing I do every single morning, seven days a week, is I reach out to three new entrepreneurs to set up a networking call. I am not selling them. I'm not pitching them. I'm reaching out to set up a call to hear about their business, their story, tell them a little bit about me. I tend to talk pretty quick. So, these are like 5 to 15-minute calls or nothing crazy.

And with that sometimes you find great partners. Sometimes you find clients or podcast opportunities. Other times you add value to other people. And other times it doesn't amount to anything, or you just get a friend in the space. Well, that doesn't seem like much. I mean, I went into FreeUp from the Amazon space where everything was secret. This was before Facebook groups of Amazon sellers, but everything was secret. There's no network. You're not trying to network with other Amazon sellers.

So, by doing this over time, now I have a huge network. I look back four years later, I know all the top players in the marketing space, e-commerce maybe not all, but a lot of them. And so, that is key. I mean, we all hear your network is your net worth, which only matters if you have the other stuff in place, like the podcast and the partnerships and the content and all that. But it's all about just consistently putting yourself out there. And that's just a huge thing that not a lot of people are doing. And it's something I preach to our members. It's, "Hey, get a VA to create a hit list of the top people in the space and just start reaching out to them in a non-pushy, non-aggressive, not-salesy way to set up networking calls."

And most entrepreneurs are super friendly. They'll do it. Other

entrepreneurs are busy or they'll hard reject you or whatever. And you just move on and you always stay the more professional man or woman.

Jaime: I love that there are only five or 15 minutes. That's very impressive. Are you willing to share your template for that email? Because I know people are like, "What does it say? How has it not aggressive and pushy?" Are you willing to share it?

Nathan: Yeah, it's not an email. I send a message and I say, "Would love to connect to IO and FreeUp," or now it's, "Would love to connect to IO and Outsource School." And usually the responses are, "Hey, would love to connect," because most entrepreneurs are super friendly. "What is FreeUp or what is Outsource School?" And then you can give a little blurb. "What is a networking call," which you should have a quick, like three sentences of, "Hey, not a sales pitch. I would love to learn more about you tell you about me." Or if they're super aggressive or mean you just thank them for their time, "Hey, thanks for the response and no problem, I understand." And you move on. It's pretty simple.

Jaime: Because you will get some aggressive and mean ones. Just so we're clear. Awesome. Thank you so much for coming on. Tell us more about where to find Outsource School and you online in general.

Nathan: Yeah. So, I'm one of the easiest entrepreneurs to contact online. Nathan Hirsch on Facebook or LinkedIn, connect with me there. Real Nate Hirsch on Instagram or Twitter. Outsource School, we have a lot of awesome stuff coming. We have our membership that you can join, get access to all our courses for next year, including our support for the next year part of our Facebook Group. But we have a lot of free stuff too.

We have a VA Budget Calculator that you can put in information about your business to see how many VA's you can afford right now. We have this free Productivity Course that takes one hour to take and will make you more productive every day going forward. We also have a case study that we break down the exact hires we made years one through four, so you can see how we organize and structured the business year by year. And you can grab all those on the Outsource School site.

Jaime: Awesome. A pleasure to have you back on the show. Thank you. Thank you for coming on again and I can't wait to see what Outsource School does. We'll have you back on before you sell it, I'm assuming. Before you sell again. Thank you, Nathan.

Nathan: Thanks for having me.

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Duration: 43 minutes