



Episode 26

Scale or Fail: An Entrepreneur's Dilemma

[A transcript of this episode.](#)

Welcome to the Professional Website Investors podcast, the show where we talk about what it takes to successfully buy, operate, scale, and sell a thriving e-commerce business. When it comes to doing business online, we believe that buying an existing website is far superior to building one from scratch, so if you're a career professional who's looking to become an e-commerce store owner, listening to this show will give you the knowledge, tools, and community support you need to be successful.

I'm your host, Ryan Cowden. And this week we're joined by Ian Bond from professionalwebsiteinvestors.com. In this episode of the Professional Website Investor podcast, Ian and I discuss some strategies for sharing the burden of running your own website. Not everyone who owns and runs a website does so full time. For some people it always has been a side hustle, and that's what it always will be. For others, they're just starting out and holding on to another job until their new website becomes financially sustainable.

Today's episode is specially designed to help avoid the mistakes many early investors make. If you don't have the time or the skill set to do this all on your own, we recommend bringing in some people who can help you manage your website and give it a good foundation from the beginning. On this episode, you'll hear the kinds of people you should consider hiring to help with your website. These would include customer service assistance, pay per click advertising experts, and web developers. Next, we'll play out a plan for outsourcing your customer service to virtual assistants. Hiring a virtual worker to handle customer service can be inexpensive if you are organized and have a clear training system in place. Then, we'll discuss the advantages of hiring someone to manage your pay per click ads. A lot of traffic comes from posts on Google and other prominent lists, so if this isn't a part of your skill set, it would be wise to allocate part of your budget for hiring a person who understands this work. After that, we'll cover why you should consider hiring a web developer. Web developers come in handy when you need to update or add supplier inventory to your website. And finally, we'll discuss the best places to find good workers for each type of position we cover in this episode.

If you're looking for some support for your new website, then this is one episode you won't want to miss. There's a lot of actionable advice in this episode, so grab something to write with because you're going to want to take notes.

As always, I'll be back on the other side, trap up any loose ends. So without any further ado, here's my conversation with Ian Bond.

RYAN: All right, Ian, welcome back to the show. It's great to see you again.

IAN: Hey, Ryan. Great to see you. Como estas? All good?

RYAN: It's all good. I mean, I'm in California, in southern California, and it's hard for things not to be going well this time of year.

IAN: Well, it is officially the weekend here. Thursday night is usually the weekend, so party on.

RYAN: Good. Well, it's good to kick it off with you then.

IAN: Yeah. Absolutely.

RYAN: Great. Well, we've got a really interesting topic today. It's an interesting companion to the previous episode that we did, and today we're talking about scaling or failing.

IAN: Right.

RYAN: You've introduced this interesting concept about how three considerations that you need to keep in mind are your time and your money and your skills, right?

And today, we're kind of considering what's it like if maybe you don't have the time or the skills to launch a website, which is a situation we find ourselves in. So what do you think about all that, if you don't have the time and the skills?

IAN: So, when I was thinking of this as a topic to put out there for people on the podcast, our last episode was something I really, really wanted to talk about because I think sometimes I emit this aura that we have eight revenue-producing websites, but the vast bulk of the people that we know have one or two or maybe three, and they do most of the things themselves, and they don't outsource everything. They make some intelligent choices, and we talked about the activities that you have to solve for, and as you rightly mentioned, what you have to think about is do you have the time? Do you have the skills? And/or do you have the money to make the commitment that you need to make? And where I see entrepreneurs fail, what I call the entrepreneurs dilemma, scale or fail, if you're a busy career professional and you're not honest with yourself or if you're not thoughtful, if you don't consider it, I've seen too many people not take into consideration what needs to be done and make a commitment to get it done and then the website becomes a chore, it gets neglected; you start to fail, and it really was a failure to plan. Failure to plan is planning to fail. That's the scale or fail dilemma that I see for most people. We can unpack that.

RYAN: Yeah, yeah.

So let's start with the time issue. What's your main piece of advice for someone who wants to buy a website as a side project, but they don't have the time to fully do it themselves?

IAN: Well, okay. Let's just make an assumption that a new buyer is going to buy a smallish website that they want to grow. Let's just assume it makes 1000 or 2000 dollars a month, and that can mean anywhere from maybe 15 to 30 orders that you're going to process in any given month. That's not a huge amount. Could be less. Could be a lot less than that too. Maybe they buy this site from a digital nomad like I bought my first two sites, and they're doing everything themselves, and this includes customer service, supplier relations, product uploading, inventory updates, pay per click, and now our buyer, our hero, wants to make the same amount of money, but they don't have the time to do all of these things due to their career. That's the problem, Ryan, in a nutshell. Okay?

RYAN: Yeah, right. Yeah.

IAN: Yeah. So they've ... I don't want to say deluded themselves ... but they failed to take that into consideration.

RYAN: Right. What's the first step if you realize that you don't have the time to do this all yourself? What's the first step you should take?

IAN: The first thing that you obviously should do is that you should completely understand all of the requirements before you actually buy this site. We've talked about sites being logistics heavy or logistics light. We've talked about sites being technical service heavy or technical service light. There are characteristics of websites that you could very easily understand.

Got a friend in Los Angeles, Drew, who has purchased a site that has fairly high ticket sales, and fairly small number sales. He's maybe one of the busiest executive I know. Travels like a madman but knows his products cold, is delighted to get on the phone with a prospective buyer in this niche nobody's expecting to get somebody on the first ring, the customer is. They're not requiring things be delivered right away, but they do want to talk to somebody knowledgeable that can answer the question. So as busy as he is, he can handle it, and he doesn't get that many orders in any given month and this was the perfect site for Drew.

Let me give you a few examples of things you can do. Maybe you can lower the number of orders and you can focus on a higher profitability per order. Drew has a very high profitability per order. Maybe of the critical activities that you have to solve for, you can handle one or a couple of them, but not all of them. Maybe you've got a spouse or a partner, like I do, like many people do, that can work with you and you can solve for that. There are things you can do, but you gotta start before you buy a site and be realistic.

RYAN: Okay. One thing that you can do, if you're looking to free up some time is you can outsource the work to virtual assistants or other contractors, and just big picture ... what kind of people should you be looking to bring on? Are you looking for full-time employees? Are you looking for contractors? What kind of worker should you be looking to bring on?

IAN: The answer is yes.

RYAN: Yes. Okay.

IAN: The answer is yes. The reality is that you probably aren't going to need a full-time website developer, but you can get really good people to help you upload products if a supplier adds products to their category or catalog, or if you bring on a new supplier and you want to upload their entire catalog. If you are in a higher volume niche where you're processing more orders or if you just don't want to do it, you can bring on people that will do customer service. You can hire people in the Philippines and mention that one of the first things that we wanted to do was outsource our pay per click because you can get really talented people really reasonable to get good results. I think of that as being something that's fairly technical and something that can be a little bit time-consuming to be done right, and I just wanted to get that off my plate. I'm busy.

Those are a few of the things, and I would be remiss if I didn't repeat it for the umpteenth time that I don't think you should ever outsource the supplier relations. You should be somehow figuring out how to get in front of your suppliers all the time, and I'm not saying you do that every day, but make a concerted effort to have conversations with a supplier.

RYAN: Okay.

IAN: That's the general things that I think about. Customer service, PPC, developers, and then the supplier relations. Make sure you hang on to those yourself.

RYAN: Okay, great. Well, let's look at the customer service piece then.

IAN: Yeah.

RYAN: What does it cost to fix that? How do you implement change there?

IAN: A virtual assistant from the Philippines will cost you in the range of four to five dollars an hour. I know people that pay less. We pay four to five dollars an hour for any one single website. I can't imagine it's going to take more than 20 hours a week to begin with, but the real cost of a virtual assistant, RYAN, is in training the VA correctly, because that's the time that you have to put in upfront to understand all the idiosyncrasies in your business regarding how the suppliers act. You gotta craft a standard message that the VA can use for every possible inquiry that you're going to get, and it takes a while to get that on to autopilot, but once you do, then you're off to a great start.

Let me just mention that you want to document all of the processes that you put in place in case you ever change VAs, and we made this mistake, we trained someone and then they

left, actually we had to fire them, but now we use a software called Screen Process, and we have over 100 screen share videos that our VAs can refer to and access during their day if they forget something and it's all very well laid out. And by the way, most inquiries that we get aren't really mission critical and they can be answered the next day if ... it doesn't have to be ... we're usually asleep when U.S. is shopping. We can most of the time answer the next day, but every time a supplier changes something, my wife will create a screen share, upload it to Screen Process, and all of our VAs confirm that they've watched it, and now you've got something that lives forever.

Let me just give you a parenthetically when you hire someone that works for J.P. Morgan Chase or American Express or one of the big financial firms, one of the big people that use business process outsourcing from the Philippines, they do all of their stuff in PDF documents, and the VAs hate PDFs and they love our videos. Even as hokey as they are, they're not professional in any way, shape, or form. It's literally a screen share, but the VAs love the video and you can understand why. It's much easier to see somebody clicking around than it is to read a PDF in the middle of the night.

Now, there are a couple of other tools that we use to help the VAs. One, we use product management software called Asana. It's spectacular. The second is any messaging we use Slack. They're about to go public. Everybody will know more about them. We don't allow any email between team members, both Asana and Slack we use the free versions. We do pay monthly for the sweet process. Our VA cost is ... VA cost might be for a typical store could be three to four hundred dollars, but the big cost for a VA, Ryan, is the time that you're going to spend up front getting things set up, but depending on the complexity you have and maybe with one store maybe is not incredibly complex, it's really, really doable.

RYAN: Okay. Let's jump over to the pay per click advertising expert. What are you hiring them to do and what's the rough ballpark cost of that move?

IAN: For high-ticket drop shipping, the bulk of what you do in pay per click is Google product listing ads or PLAs. You should spend probably four to five hundred dollars per month on an expert to run your pay per click. Your ad spends going to be for a single store at any given month, certainly below 2000 dollars usually. Generally below 1000 dollars to begin with, and you're going to have a target for your return on ad spend. It'll take you a few months for your PPC expert to get to the point where they're not only making money on the ads for you but they're also covering their cost. But it's, like I said, it's an expense well-worth allocating to.

You'll get it right over time. I'll just caution you that you should monitor this frequently, particularly at the beginning because while it's not labor intensive like running a VA, it can be dollars intensive, and we've had the wheels come off on some PPC programs, and I'm embarrassed to admit it. It can be very expensive. It can screw up your whole month.

RYAN: Okay.

IAN: Big asterisk. Watch your PPC partner and make sure that you're not over-spending. Particularly as you adjust your ad budgets as you go up.

RYAN: Great. Web developer. Why would you want to bring on a web developer, and what does that cost look like?

IAN: Only two reasons for a web developer are number one, our suppliers give us a daily inventory update on ... we have a very big store that has over 9000 products, and I don't know 20 suppliers. It's a lot of inventory updating that we're doing in order to keep our inventories in sync with our suppliers. The last thing we want is a bad customer experience. They buy something from us that they can't get. That can be labor intensive. Most of the time, our VAs can do that. Sometimes we get some tricky formats, and we need a developer to do that. We have one guy that we have on staff and I don't think we pay him more than 40 or 50 dollars a week for little nits and nats. The bulk of it is some tricky updates that we'll get every so often, not the normal updates the VAs can handle that.

The big thing you need website developer for is when a supplier adds products to their catalog or if you add a new supplier and you want to upload their entire catalog. You're going to want to have a developer to do that. It's pretty time-consuming stuff, so that's something that you, let's say you are able to secure a platinum level supplier. You want to get their stuff up as quickly as possible, have it look incredibly good, have the content be excellent, especially on their highest selling products. Go back to them and impress them. If you're a busy career professional, that's going to be tough for you to do.

RYAN: Right, right.

Where's the best place to find these workers, are they going to be on different websites because of what they do, or is there kind of one place where you can find all of them?

IAN: Well, let me just finish the thought on the website developers.

RYAN: Oh.

IAN: Those are guys that you find on Upwork.

RYAN: Oh, okay.

IAN: Those guys are on Upwork, and in terms of those guys ... I failed to mention, I apologize ... that we paid anywhere 50 cents per product upload to \$15 per hour. It generally depends on the complexity of what you're doing, but if you were to upload for \$3 a product, you would probably ... you could use that as a benchmark for VAs, onlinejobs.ph, we've hired, oh gosh. A dozen VAs off of onlinejobs.ph. We've had better success there than we've had on Upwork.

I would say that with regard to PPC folks, that's generally a word of mouth. You can go into forums and ask people who they use. People are pretty honest with you.

Unfortunately, or maybe it's fortunately, because someone hasn't been able to solve someone else's PPC doesn't mean they may not be able to solve for yours, and unfortunately vice versa is the case. We've had the case where we've gotten great referrals and they haven't been able to help us. So PPCs a little trickier, unfortunately.

RYAN: Okay.

IAN: Yeah.

RYAN: Well, there's a tension here to this whole process because you're trying to grow your site, but then bringing on other people, you're going to be spending more to make the website work, so how do you encourage people to say it is worth it to spend on these other workers for your website?

I think that the reality is that you have to be true ... to thine own self be true. You're starting out trying to design the life and lifestyle that you want. I'm very honest. I've got the gift of gab. I love talking to suppliers. I love getting on the phone, even doing cold calls to suppliers, but I don't want to do the technical stuff, and as much as I'm a math guy, as much as I would find it intellectually interesting to do our ad words, I know I'm going to get busy and I'm going to get distracted, and it's not the greatest use of my time. Now, manage someone that does that, I do that in my day job. I manage technical people in my day job, so I can do that all day long. That part I can enjoy because I can debate the idiosyncrasies and the finer points with someone that's actually doing it for me. I like that. So I think, Ryan, sit back and say, "Look." There might be 10 or 20% of the job that you're going to have to hold your nose and do yourself, but for goodness sakes, be honest and say, "What is the 80% of this job that I either enjoy doing or I'm delighted to give someone else to do?"

RYAN: That's a key question.

IAN: Yeah. That would be the best way to approach it, I think. So the entrepreneur's dilemma is that they think they can do it all and they haven't really been truthful about their amount of time, amount of knowledge, or maybe amount of money they have, and they're busy. If you don't scale, you will fill, okay?

RYAN: Right. There's a lot of great wisdom in here, Ian. Thank you so much for sharing with us. This was great.

IAN: Yeah, Ryan. I hope I help somebody. I've seen people struggle through this, and there's nothing worse than not getting it right. And it really is pretty easy to get it right, and there are a lot of tricks that you only learn over time, but as I tell everybody, start as quickly as you can. Be prepared to have a few skinned knees and bloody noses. You'll figure it out. It's just not that hard, to be honest. It's not rocket science.

RYAN: Right. That's good to hear because it's a lot of information.

Well, thanks, Ian, we'll talk to you later.

IAN: Absolutely. Thank you, Ryan, have a good one, and until the next time.

RYAN: All right. See ya.

All right folks, there you have it. That wraps up my conversation with Ian Bond of Professional Website Investors. He shared a ton of valuable insights and advice today on how to scale your website to make sure it will grow. We also shared some tools and resources which will all be linked up at professionalwebsiteinvestors.com.

I hope you enjoyed our conversation. Please consider subscribing, sharing with a friend, or leaving us a review in your favorite podcast directory. Until next time. Best of luck in all that you do. We look forward to seeing you on the next episode of The Professional Website Investor podcast.

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