

Business Evolution: Unleashing Innovation to Overcome Declining Business Models

How can your company survive a declining business environment? James and guest Charley Valher discuss innovation strategies to help you beat the odds.



Charley Valher

James: James Schramko here. Welcome back to my podcast. This is episode 1016. Today, we're going to be talking about a pretty serious issue. And that is, what do you do if you're in a position in business where things look a bit grim; there's headwinds, maybe the market's sliding. I've brought along my friend, [Charley Valher](#), to have a chat about this. Good day, Charley.

Charley: Hey, James, thanks for having me back on the show.

James: Always love catching up, and you bring such great insights. And you're out there like I am, you're dealing with a number of clients, you're in a few different business areas. And you see things, I see things. I like it when we compare notes, and war stories in some cases, and provide some actionable steps that someone could take. In this case, they're in a position where things aren't going that great. And you mentioned a metaphor that you wanted to share with us about that.

Charley: Yeah. So to set some context on the business and investing podcast, shameless plug... [laughs]

James: Where do we hear about it? What's it called?

Charley: [Businessandinvesting.com](https://www.businessandinvesting.com) is the podcast. But one of the types of episodes we do is Q&A episodes. So we encourage people to come and send in your money questions, send in your business questions, and come in, and we'll do our best to answer them. And in recent times, I've been, well, I was actually going to say getting an email that's kind of similar where I had a good business for a few years, however, my industry is falling into a decline, as you mentioned here, and it's like, well, what do I do? Like, there's some headwinds.

The cigar butt phase of business

And to set some context to the idea is like, I imagine it'd be pretty difficult to sell Yellow Pages ads at the moment. But once upon a time, that was a thriving business. And the metaphor that it brings me back to is actually something by Warren Buffett, which is known as the cigar butt. So what something Warren Buffett actually used to do in the earlier years of his investing, was they would look for industries that were coming to an end.

So I'll use an example here, like fossil fuels, right, we can see that everything's going green, there's only so many years of, you know, we're going to keep using oil in the way we're doing it. Now, often at times, what happens when a business is going into that part of the cycle, is people are trying to get out.

And what old Uncle Warren used to do was go and look for those businesses at a discount, and they would buy them and then sell off the assets. So maybe, you know, the plant equipment, or the real estate that sits within it was more valuable than the shares. And that's how they actually used to make money.

But the context of it all was looking at, well, what do you do when an industry or a business goes into that cigar butt phase? When do you get out? Is this something you'll ride to the end? Like if you're in this type of decline or experiencing it, it's a very, very different set of circumstances and thinking that go into it, versus let's say you're into a new and booming industry where everything is very growth-orientated and future-orientated.

James: Even within those growth-orientated businesses, I mean, I'm reflecting on my own transition from the car industry, which I worked out. [I actually quit my job](#) about 15 years ago, which seems like quite some time. It's an amazing thing that I could still occasionally have a nightmare that I'm in a car dealership, it's that traumatic back then, but 15 years, and I could see the online thing being a thing.

Is a bit of paranoia a good thing?

And now we're hearing from people - I was watching - there was some 60 Minutes thing, I saw it in the news because I wouldn't watch 60 Minutes, but there was some ex-Google employee saying that he was talking to the robot they'd built, and it was so lifelike that it convinced him that it had feelings, and he reported it to them, and apparently, allegedly, got booted from the company.

But I do feel in our market, the online world, there's a lot of people saying, Oh, you've got to learn AI or you'll be out. Right? There's a lot of fear going on. There are actual experts, technologists who are saying we should be concerned. There are reports of companies like British Telecom in the UK saying that they're going to let go a lot of jobs, mass redundancies, because of the technology replacing them. I'm wondering, on a scale of one to 10, how concerned would we need to be even if we think our business is okay right now?

Charley: Well, what's the saying, it's only the paranoid survive?

James: I think, you know, similar, there was also in the book that someone else wrote for Trump, apparently, that he, you know, mild paranoia is a good attribute if you're in a powerful position. So I'm always planning redundancy. This is really a thrall from when I was a kid, you know, about 18, my parents had some financial setbacks because of the economy at the time, I had to go out into the workforce around then into debt collection.

And then as I was sort of getting to the successful part of my career, I was super concerned about being paid by one person. And I could see that role becoming redundant and being soaked up. And indeed, that business actually did sell a few years later, after I left.

And I went to work every day for the last year, expecting it to be my last. And I was building my online business on the side for the last two and a half years of my job. I'm always very cautious of not getting complacent.

A period of struggle for many

And I could see, it is definitely a vibe that I'm getting through the network that I have, that people are struggling a bit. There was obviously some really weird factors. We had a pandemic, which caused a massive change to the way people did business who were offline. That offline world, you know, the normal humans, a lot of them came into our world.

And a lot of really high-level talented, competitive people are sort of, they're at the starting foothills of where we were, they got on to Zoom, and they started to realize they could do stuff online. There's definitely been a saturation in some areas of the market. I think it's costing some people more for advertising in traditional platforms. And I know you've addressed that in a particularly cool way.

And there's also a lot of difficulty in just selling what people used to be able to sell easily, now. So I'm seeing people struggle. I'm seeing people have retractions of their boom days, either pre-COVID, or post-pandemic, where they had an unnatural high. And now it's back to norm. And then of course, we're seeing things like inflation.

And at the time of recording this, the US was having a bit of a loggerhead in terms of basically running out of money, which I think, I think they're just figuring out a way to broker that, but they're always threatening, basically, just a mass explosion of finances that's going to just destroy everything around it.

So keeping that in mind, I like to keep my position where I've got a little bit of lard in the cabin, you know, to survive off for a while. I've got to have that bolt hole where I could go and just ride it out if need be.

What to do when you're on the edge

But there are certainly people right on the edge, that that cigarette butt is getting right down to the roach part. Right? What can they do in that situation? Firstly, I guess they probably should be aware of it?

Charley: Well, to the point of what you're suggesting there, what can they do? I love the idea of having like, you know, your little war chests to the side? I think wholeheartedly that having good buffers in your business and a war chest, should environments change, like no one could have predicted a pandemic or a war...

James: Well, some people did, I think Bill Gates did. [laughs]

Charley: Maybe a couple.

James: Much to the scorn of his non-admirers, but how long do you think you should have in terms of expenses to cover all of your costs? What's the comfort level for you?

Charley: For me personally, like I'm actually at this stage of over 12 months.

James: Yeah. I'm going to say years would be great. Most people wouldn't have weeks. And some people might have six months. But you should definitely have months' worth of expenses covered to give yourself time to adjust. But I guess an underlying factor is that it's just constantly being reminded that most people are flying blind.

They don't do basic reporting. They don't have P&L check-ins. They're not getting advisory from an accountant or a CFO. They're just too slow to realize that things aren't going well. And by the time it gets them, they've got no runway. It's like they're at the end of the runway, it's like, oh, by the way, we have no fuel. What?

Charley: To go even deeper into that, a healthy place, so let's just pretend in this case here, we're going to acknowledge the basics of like, financial reporting, and having some healthy buffers in place so that even if something happens, you're prepared. The next level to this, though, is if you do notice you start to fall into a decline is not ignoring it and investigating what it could actually be.

So for example, if you're in the AI industry right now, which is a booming industry all over, but your AI business is in decline, you might start to go, well, it's me. Like, I need to change things here. This whole industry is potentially booming, and I'm not. So you're in a tailwind, but you're not performing? Great, this is something where you can alter your business. But on the other side of things, you might be running the best Yellow Pages ads business in the world, but you're facing an industry change, where you're actually working against it.

An ounce of awareness

So if your business starts to fall into a decline, one of the things I'd be a really big advocate of is recognizing, is this industry bigger than what I'm doing personally, or is this that I'm in the wrong space, or potentially a space that just doesn't have the value like it used to? And one of the ones you used to play in a lot, James, was SEO, for example. And I look at it and I'll say the same about many other internet involvements over the years, where they had a heyday, they had a time when the margins were fantastic.

But over time, as whether it's overseas workers have come into the place, whether it's technology's improved, whether it's just become more competitive, because there's more people doing it, whether the bigger players have absorbed the smaller players, and it's harder to compete in that space now due to scales of economy. All these things can weigh into why someone may be seeing a headwind or challenge, and identifying that can very much dictate, well then, what do we do from here?

James: Well, I think two things there. One is, you should explain what Yellow Pages are, because there will actually be a part of our audience who don't know what Yellow Pages are.

Charley: Do you know what, that sums it up. It's in such a decline, they don't know what it is.

James: Yeah, well, I mean, now I think they combine it with the white pages. But folks, it's a phonebook. So back before the internet, we had big thick phonebooks. There was actually two; A to K and L to Z in Australia, for white pages, and there was yellow pages, which was the business one. And that's where the yellow pages salesperson would call up and sell you advertising for your business. And to not be in the Yellow Pages was like, Oh, you missed out a whole year of getting leads. It was kind of a big deal.

Charley: It's like not being on the internet today, would be the equivalent.

James: It's like not being on the internet for a year. That was the penalty. Of course, the often-referenced metaphor is the videotapes, you know, the videotape store. I think there's one Blockbuster left, you know, for nostalgia's purpose, but we're now very much into the streaming world. So the big part is, and my CFO actually taught me this, he said, Look at an industry and see if it's going up or down. Is it growing or declining?

And one of the variables you have is market share. Richard Koch talks about the STAR principle, it's like being in the fastest-growing company in the fastest-growing market, you can get stratospheric returns. There's still, like Warren Buffett has identified, there's still good money to be made in traditional industries where there isn't that hyper growth, however, you're going to have to have a good way to get the market share or cater for the fact that it's declining.

Looking at AI

One thing that is interesting about the AI explosion is I'd be so worried if I was an AI company, because it's kind of like they're just betting the house on red. Because a lot of the foundational tools, like put this in perspective, Google's been giving us AI for the last 10 years. It's already been in Gmail and all those other, it's been there. And it's been in the search engine algorithm. We've been using it.

Charley: Completely. It's just been invisible, right?

James: It's been invisible. It's gotten above the line now, 58% of Americans have used AI, one of those chat tools, right? It's become where there's now apps for it on your phone and so forth. Look what happened with Google, they kind of got sideswiped a bit by Microsoft or the investment in open AI, where that's gotten massive market saturation. Now they're trying to wrestle it back.

But if even the biggest of the big, with the brightest and smartest engineers, can get scuttled like that, then imagine how hard it is for these little players. Like I'm thinking of the tools that a lot of the people in our industry were using for copywriting and stuff. Like, I was using one three years ago, two years ago, and I canceled my subscription about a year ago.

There's no way I would need a tool like that now, because I can just build my own apps using the open source tool. And a lot of them are no-code programming, you can create your own applications. So it's actually getting easier and easier for people to be independent, off the back of the source code, much in the way that websites became commoditized. Back in the day, you'd spend \$20,000 for a website. And now anyone can whack up a Squarespace or whatever those websites are, I'm not sure, the FreeBuilders.

Charley: And they're not half bad now, I will say as well, which is interesting.

James: Yeah, or you can have a page, you can, you know, click and make a page or a group on a social platform in an instant. So I'd be worried that even if they're going well, that it might not always last.

Different people, different options

So let's just recap. So far we're up to, you need to have good reporting so that you actually know when you're in trouble.

It's a good idea to have runway so that if you are in trouble, it'll take some of the pressure off to make good choices. And I think we're up to the point where we talk about, what kind of choices do we have? Right?

With the Warren Buffett metaphor, what would have stopped the original owner from just selling the plant and equipment all by themselves? Is it because they had to go bankrupt first, and someone comes in and buys them? Or do you think they were hanging on to the dream, you know, like the Kodaks and Polaroids and so forth?

Charley: That is such a good question. And the way I look at it is, people become irrational. So in the idea that let's pretend we own a fossil fuel company here, which is on its last runs, the idea of being the last one holding the bag is like, the psychology working against them. So do I get out now when I can see the great opportunities that are elsewhere? And like, what's my cost against that?

So eventually, what happens is more people get out, and the stock price goes down. People start to panic and go, Well, maybe I should get out now before it gets lower. So they're not seeing the opportunity. And then the other side of that is, you might be in this oil company, in this case here. But you may not necessarily have the skills or ability to sell those underlying assets, or the tenacity to do so.

So it's like, you know, liquidators serve a very interesting role in society, or people that come in and sell off sections of companies or dismantle them, where you may be looking at the opportunity cost in that and go, Do you know what, solar panels are booming, or green energy is booming, I can see that I'm actually going to get a better return on my time and capital if I go focus on a growth area, versus someone else is going to make that in this area here.

So I think there's a whole bunch of setups and differentials that come into it. And to go further on for this example, let's pretend there's an SEO company that's going through a decline. But they've got developers, they've got designers, they've got writers. For the agency owner out there that maybe they're in paid ads, and that's booming, for them to absorb that company and seize those assets, very valuable to them, they can utilize them. But for the person who wants to get out of the SEO company, they don't necessarily serve or have that value.

So it's an interesting dynamic that they have their place just like, or here's another example, there's people out there that literally just buy the returned goods on Amazon, and then they resell it. Right? They've put themselves in a position where they're kind of making the most out of an asset that Amazon doesn't want. And it's fascinating that if you look heavily into this, there's all these kinds of opportunities that exist that are different.

Like not everyone has to be doing the same thing. A block of land to someone is a place to live. To another person, it's a development site. So they have different value.

Charley's experience of change and moving on

I do have to share this story, though, James, because you were heavily influential on me in this. When I first got online, I was one of those people doing like a jack-of-all-trades agency. And you know, we were doing websites, we were doing all these things.

And it was your suggestion to focus in on paid ads. This is like, I must be nearly, I'm going to say, like seven to 10 years ago now, you would have to look at the original dates of when we first connected. But that one little piece of advice you gave me then was the trigger to me focusing on ads and media as a huge part of it. And that was the opportunity.

So for me, that was a great move. But for others, it may not have necessarily been the thing. But to make that relevant to this episode here, I'm very much of the view, if you are someone that gets to this stage in the journey and you've recognized, hey, this industry is in a decline, my business is in a decline, what do I do from here?

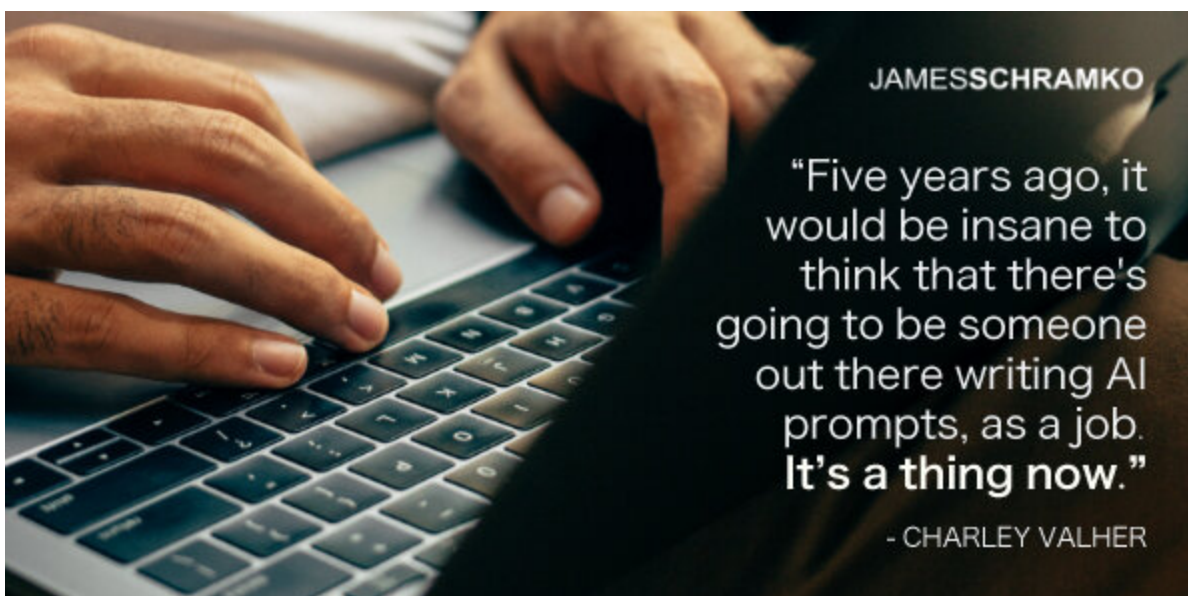
My bias and what has worked for me is moving on. So every time, like I got in early on paid ads, I was very early in the VA industry. And then I was quite early in on the podcasting media scene. Every time I've got in on a wave that was coming in and prepared for it, I've found it quite easy to run a very successful business. Like, running with the wave and the excitement of it has worked out very well for me.

I'm not someone who's necessarily done well doing the cigar butt strategy, or trying to absorb those types of opportunities. So if someone is more inclined to my side of things and the way of thinking I go about things, I would suggest or recommend that for them, it's time to move on. Like, there's going to be a lot of opportunities that come from this change.

What to believe and what to adapt to

So whether it's AI, real estate, what's happening on the internet, I don't think that we should be pessimistic or doom and gloom. I don't think we should be looking at it going, Oh, the world is necessarily over. Like, I'm sure you remember this as well, they said that about the internet, it's like, what's everyone going to do?

James: Yeah well, 2000, it was supposed to all collapse.



Charley: What are all the factory workers going to do, James? Like, you know, it was like, every time they seem to have this cycle, and yet we find these whole new industries developed and these new, exciting things are created, which is one of those special things about societies, we're always creating new things, like a kid. You know, like five years ago, it would be insane to think that there's going to be someone out there like, writing AI prompts, as a job. It's like, a thing now.

James: Although I watched a video from the 60s, and a lot of their predictions were pretty accurate. They said that animals will live in batteries and be bred just for production, and that people will have smaller and smaller houses and living, because it will cost more. So if you look at overarching trends, the thing is, I don't think we can stop it.

Charley: No, so get on board with it. How are you going to ride this?

James: You've got to adapt. And you are a bit of a classical man, because you're good at predicting the trends and moving to the right areas online. When it comes to investments, I think you like good old property, right? That's got to be one of your favorite assets.

Charley: Hugely so. And again, not financial advice, which I've got to say, of course, for me, but I very much viewed that the things I do online have been, well, let's be honest, sometimes I'm selling invisible stuff on the internet, no one can touch it. And it felt very wise to me to diversify away from that.

So when I looked at the different investment options out there, real estate is the one that spoke to me. And it's because there's a scarce amount of land in places people want to live. And there's also some really big advantages with how that can pair up with what I was doing in business. So that is the route I took. And to think of that as more of a like, how could I put this, more of a boring, less fast-pace, less trendsetter mechanism? Absolutely.

James's take on investment

James: Well it's a more mature market, that's the point I was making, that there's space to balance this. I'm actually the same, I generate income in technology areas, and being good with strategy and trends. And I retain and grow it in more grassroots, touch-the-earth type things. I like to see my assets.

There are people, I've actually coached people who their entire investment portfolio is wrapped up in Bitcoin, or they just like to reinvest and keep purchasing businesses. And that's great. I actually tend to create things and then sell them rather than acquire them. Although I have from time to time acquired portfolios of things, and then resold them, or restructured them.

There was a time I bought 200 websites at once, for a couple of \$1,000. And one of the domains in there was a first and second name, a fairly common one. And I approached that person and sold them the domain for more than I paid for the whole portfolio. And I kept the other ones for my link network, for my SEO business. So it's, you know, some people can see the value in the thing and other people can't.

I guess, Charley, what you're saying is, identify what kind of person you are, what your profile suits, and if you're good at starting things and predicting the next thing, don't hang on too long to that cigarette butt, or the cigar butt. And if you are the kind of person who is needing the others to show you what's happening or whatever, and you like to just milk the end of something, or you're good at repurpose and differentiating, maybe you're the one who acquires, and buys, and rolls up, and reestablishes value in things that other people don't have the value in.

Charley: Hugely so. And intent behind that is just massive. Like, how you do business will be very different depending on which one of those categories you fall into.

James: And you may fall into multiple categories. There was actually a year where I spent hundreds of thousands of dollars on domains. I bought 800 domains, I think, at auction in sort of towards the end of the financial year. And that was my reinvest the capital back into, having a productive portfolio.

And then I resold those or used those domains for years later. I've still got some of them. If you want to buy a great domain name, let me know. But they actually turned out to be a really great thing to do. So I've experienced all parts of it. And it's a matter of, I think, sort of retro-analyzing, where did you get the good results?

Start on the side, or look to the next thing?

But let's just put that all aside for a second. Like, you're clever, Charley, I've done okay. But what about the person who's sitting there in their agency right now, and it's harder for them to get customers? They're finding their costs have gone up for just about everything because of inflation. And they're even questioning themselves, because I think owner confidence, founder confidence, has got to factor in here, because I think there's a mental game to this. Would you agree with that?

Charley: Wholeheartedly. Like, I mean, they track sentiment in pretty much every country and market for this reason, because it plays such a critical role. Like, when sentiment's high in property, people tend to pay more. And when it's low, they pay less. Right? So inevitably, this is true in business as well.

James: So should they start the new thing on the side? Or should they basically just eat it for a while and pray they can make it in the next thing?



Charley: It's a very good question. So coming back to what we were discussing earlier about having buffers, this is where if you've got a strong buffer, you've now created the ability to create change, or invest some of that capital in change.

James: I'm going to go out on a hunch and say, they don't have a buffer.

Charley: All right, we're going to go out on a hunch then, right?

James: [laughs] The worst case. This is like the steaming pile of stuff that I have to deal with from time to time, like just this chaos lands, like that's why they come on board, because things haven't been going well, they finally figured it out. And they want help. And I've got to get in there, roll up the sleeves and help. So what's in your toolkit, what's your playbook look like?

Charley: Alright, so I would do enough to the side where you feel validated. And then I would go all in. And I'll give you an example. Let's say someone is looking for enough proof that it's a good idea to make a jump from, in this case, operating an agency into doing something else. I would be looking to go, not make a business that replaces the income I'm making in my current agency, and then make a jump, because I think that's actually too much of a tall order for people.

It's just putting too much on their plate where they'll likely fail and do both poorly, where I would be getting a plan together, speaking of enough people in the industry, maybe get one client or develop one product, or whatever it is where you can be confident that this can be a real thing. And then I would more aggressively move towards it.

A market that's becoming more difficult

In the case of agency, for example, is like, I know firsthand, that is a market that is becoming more difficult. I think many agency owners are out there struggling right now is the pulse I have on things. There are other things you can do in an agency or redevelop in an agency for it to do better, absolutely. But maybe you want to move on from that as well. And there's significant opportunities elsewhere or in other types of agencies that may be more advantageous.

So I'm looking for that, what can I validate to give myself some confidence? And then I'm moving aggressively. Because I don't think in this case, those trends are going to necessarily change. And I think that the early mover advantage of being in front of a new and potentially stronger opportunity stands to significantly outgain what can be done elsewhere.

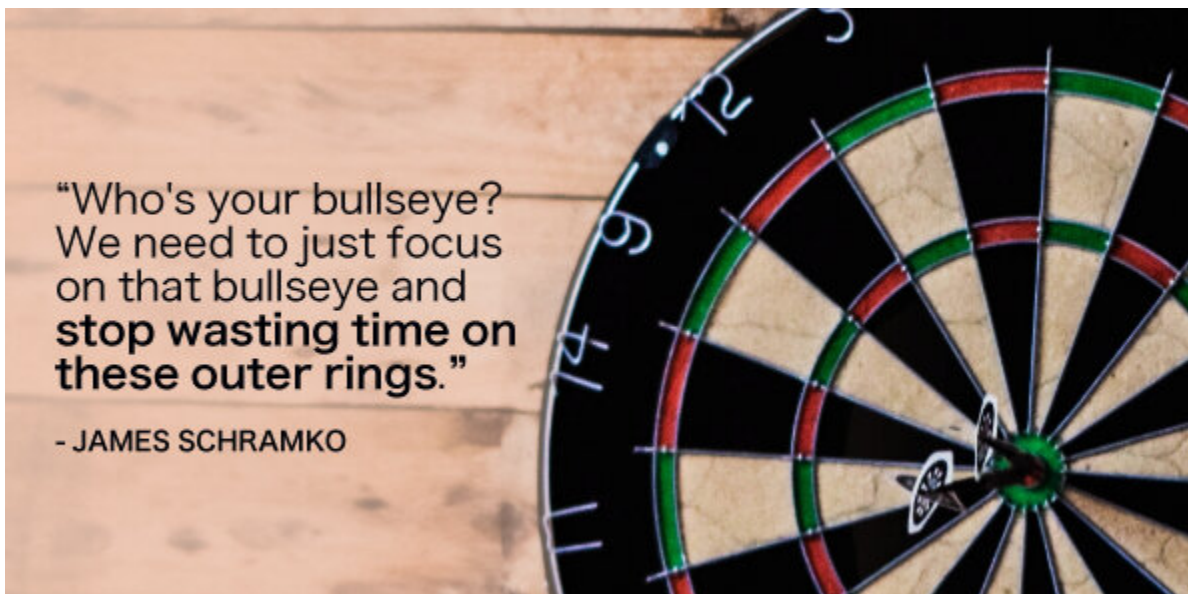
James: I think you're right. I've had the exact same situation happen today. I've had an agency client, where things are just a bit harder than they were last year. And this is across the board. That being said, I've got some partners who are just slaying because they're really quick to identify good opportunity.

Charley: Us. This is literally record-breaking year for us.

James: Avoid mistakes. You know, I made significant changes last year to my business in recognition of the fact that you've got to innovate and change the game. We've changed everything, from our product to the target audience, to the messaging, to the delivery, and it's all worked great. It's been amazing as well. So that's a relief.

But it's also important that, you know, obviously I have partners, and I have different level tiers so that I've got layers and layers of protection, and never have to make a desperate move or short notice thing, or compromise, right? Compromise is the enemy. But with the agency, what are you the absolute best out of the world? What is the engine within your agency that makes your agency so good?

We identified that. Like, who are the absolute top two clients that you have? And why did they choose you, and what do they recognize in you, and where did you get them from? Right? And what would be the wave-the-magic-wand solution if you could do nothing other than this thing, what would that be?



And we've managed to sort of build a bridge from the skill set to the type of client they'd like to work with, to what the client is seeing value into what they'd like to do. And then we can just shed the rest of it. And just basically strip off all the mess. We don't aim for low ticket stuff on the wrong type of clients. And I think of it as a, in terms of archery, the target, like who's your bullseye? We need to just focus on that bullseye and stop wasting time on these outer rings.

In the time of emergency, it's the outer rings that get you. The over service requirement for a poor fit client is terrible, the hiring of the wrong team members who are part doing jobs or not making a return on investment, no good. Just got to keep it lean. If you only focus on the bull's eye, there's a good chance you can actually bring in another target and have another bull's eye to focus on while you make that leap to the new business model.

Specific strategies that worked for Charley

Charley: James, you've nailed exactly what we did. And can I share the example? Can we get specific on the one?

James: As much as you like. I do like to talk about real-world things in this podcast, I think that might be one thing that does separate us.

Charley: I suspect, for many people that haven't done this - and I will admit, I had some initial resistance to the idea - but why my agency has been so successful over the last 12 months is we doubled down on the short videos and advertising. And we've spoken a little bit about that on previous podcast episodes.

But for us, we really double down on video ads specifically, and then being really good at them across Facebook, TikTok and YouTube. And because we were essentially able to focus in on it and provide a better output, we started to outperform in that area, where we've built ourselves a nice little moat.

And not that other people kind of come into the space, although we got some secret sauce as well in that, but the idea being that enabled us to be someone that we knew who we wanted to work with. So using your point of like, having star clients, and then being very good in that area where we could deliver outstanding results, helped us achieve that in a really big way. So from the idea of reengineering an agency, I still think there's really strong opportunities in that space. I don't think agencies are going away. I just very much look at to your point that being too broad or servicing the wrong clients can be very detrimental.

I'd also look at, for many agencies only out there, is like even in the context of this conversation, is there's whole new waves of businesses that are looking for agency services that are neglected to a degree. So for example, and just to use a really broad one here, is like green energy is exploding, right? It's a very powerful niche.

Who are the agency owners out there serving the green energy space? Is that something or an area where someone could double down to achieve a better result? We now, video, for example, is the area we wanted to double down on in the media company in the agency. But it's like, well, there's not just video, there's a ton of stuff out there that's becoming more important. How could your agency better serve that area? And you will likely see an outperformance as well. I think that's an interesting dynamic.

James: Yeah. So it's, again, your guess, you get there the same way, identifying which part of the business is the bit of the business that's good. And then you can overlay other factors, like is this part of the market growing or shrinking? And is this in vogue or not? There's definitely themes.

Hustle is becoming less a thing

You know, one theme I've noticed, if compared to five years ago, there is a massive shift from the hustle culture to lifestyle, avoid-burnout culture.

Charley: Wait, did you start that trend?

James: No, I think Tim Ferriss probably did, you know, to be fair to him. I think that was the OG book on the topic, *The 4-Hour Workweek*. I read that when I still had a job. But there were some things in there that I thought well, I get it, but you know, I've got a family. So I'm different. But [my book](#) is six years old, one of the lines in my book, you can buy back time, became a book title for someone else, right? So there's definitely, I'm not claiming to have created that category.

But I always, you know, you choose an enemy to play against. And I was choosing the enemies like Gary Vee talking about working all the time and stuff. And this guy's obviously on his two thumbs all the time in the back of cars going to meeting after meeting after meeting. I'm like, Well, what about the family? Right? And, you know, years later, it turns out that that didn't last either. So now they've changed their tune. Now it's all about love and about empathy. And that whole message has shifted.

And we're seeing that a lot more people are bringing this, and I think Arianna Huffington was probably one of the more famous people to talk about it. So at the same time, you've got a Huffington saying you need sleep, you need to rest, and then you got Elon Musk forgets what day his birthday is because he's sleeping in the office again, you know, and probably doesn't have a lot of time for kids.

So I feel like that's a big trend. So I would be, and do, focus on bringing that element to the market. You know, that's a lot of what I provide for my clients, is this whole thing. If you went back 10 years ago, they'd say work life balance doesn't exist. Any Olympic athlete or any high performer is extreme.

But come look at the train wreck that created, they always burn out or end up as scraps on the side of the road. Like, they've got a little moment of glory, you get the gold medals. And then years later, they're all got a walking stick and in a rocking chair watching daytime TV because their career's burnt out.

Like, I think it's better to have a theme, I'm working on my mind, I'm working on my physical body, and I'm working on my business and my family at all the time trying to keep that longevity in mind, and a sustainable routine. And I like your quote, Charley, which is like, build a life that you don't want to retire from or something to that effect. I think that really resonates with my message.

The growing attention on health

Charley: That is absolutely my quote. I'll take that one. There's some other really interesting trends out there, and you mentioned one as well, James. I think health has expanded immensely.

James: Big time, I've got my Oura ring on now and made some significant changes, which people will have heard about in the [previous episode](#). But I think that there was an awareness of that, with the big medical conversation happening over the last few years. There was a lot of medical conversations and a lot of questioning around who has control of what goes into my body and who can say what I can and can't do if I want to do this or not. Like, it was absolutely outrageous.

But it has forced people to start thinking more, and to be a little bit more aware of what's going on. And then you've got the way that they're sort of playing with food and stuff doesn't feel right. And so we're lucky here that we have access to good-quality food, we have good-quality health. But I'm certainly more focused on it than ever. I think you were even wearing a little machine the other day to go deeper on that.

Charley: Wholeheartedly, I had a continuous glucose monitor installed, and was doing that for a 14-day test. But even to the point is, I'm hoping the audience who's listening to this is like, these are the exciting expansionary parts of the market where you may want to get involved.

Other areas of opportunity

And I'll share some more. I wonder if you're experiencing this one as well, these elderly parents or grandparents, where maybe they need like, for example, ramps or lifts, as no hints to what's going on in my life in this one, or accessibility things installed.

I think as the baby boomer generation is retiring, the needs of a retiring and aging population, there's going to be a ton of opportunities that exist within that. So again, just another trend that I hope people can see is around there that they should potentially get excited about or want to lean towards, if they're in that declining industry.

James: And the interesting thing is that guys like you and I, Charley, we're paying for those things to be installed for a lot of these people. Our taxes in this country, that sends someone around to do the lawns or to install a brand new kitchen or bathroom fitted out with rails and stuff for people who have access to programs that are available for that generation. But there's a lot of that generation coming through. Right?

I'm wondering how far that can extend before it breaks. But that has to be a huge industry.

And also moving to where I moved, which is a less-populated area of Australia than where I was, you notice that it became much harder to get supply or services of certain things. There is absolutely no shortage of opportunity in any kind of labor industry. If you wanted to mow lawns, clean pools, build timber, stuff, or detail cars, you can have clients today. There's so much work because they're booked out for weeks.

There was a local four-wheel drive Toyota tuner here, Charley, who's stopped doing services. They were booked out for months for logbook servicing of a Toyota four-wheel drive. Right? Just such a standard. And I actually looked at that and thought, well that's an industry I really do understand. How hard would it be to get commercial premises and get, hire mechanics, get the licenses to have a service, which is such a common basic need.

And I'll take the counterplay here. And I'll say, when all the electric cars stop dead in their tracks, because the computer crashes, and they can no longer back to base and energy is cooked, I think the turbo diesels are going to have their reign, right? Like the last of the Mad Max phase. Then you're definitely going to need servicing.

Charley: Interesting, you've just mentioned an interesting trend that I actually agree with in a big way, is geography. So you know, and this might sound insanity to some people out there, but maybe you've been running that agency virtually for a while. And actually, this is the time to move into a developing area where you can have an office locally and do something on the ground. And that could be your new advantage. I do see opportunities in that with how our whole society lives.

Where the human element has real value

James: I think anything with a real human has just gone up in value.

Charley: Massively.

James: And that's what I've actually put on my offer page, that when you're dealing with me, you will be dealing with a real human. There are other podcasters out there, they've just installed their chatbots and you can supposedly, you go to their site, you type in your question and the AI chatbot will go and draw from all the knowledge of all the guests and give you the result.

I did it once to see what it does. It's like, I'll never do that again, ever. And most of my clients, especially the ones who come to live calls every week, there's no way in the world they're going to do that. So I think it's a premium service now if you can actually speak to a human. Remember when you used to be able to call up and speak to a human on a telephone for places, instead of having to do the old keyboard thing or get pumped around seven different robots and stuff?

Like, it was so valuable to have a human. And I think that would be a good trend to build in, if you can focus on that. I'm certainly doing that. I'm focusing on human, I'm focusing on balance and having a good life without getting burnt out and overwhelmed. And these are the foundations of it, not steering yourself into a corner. Like, if you're painting the house and you end up in the corner and you can't make your way out, like, people do this because they're not tracking what's going on.

They don't have any runway, they don't have the support. Slow to turn around, no buffer, make desperate moves, jump ship too early or just throw away something that is valuable in the right hands.

Putting the effort in to get more value

So try and find the maximum value you can with the minimum amount of effort. It's like when I'm writing a classified ad for something, I'll put that five minutes into taking better pictures and writing a better description.

Like I did with my Peloton that I didn't use. I had AI write me a cool ad. I wanted it to write me an ad that would go viral, and it made a fun little story out of it. We called it the Pelotonic relationship. And put that extra effort in so...

Charley: I need to interrupt. That's amazing. I love that so much. That's great, James. I'm so sorry. I just had to share that.

James: [laughs] Yeah. I shared this with a friend of mine, Lloyd, and he wrote an ad for something as well.

Charley: His couch. I saw it.

James: Well, that was where the idea came from yeah, the couch. You can use AI to write viral, fun advertising, right. So that's a fun thing I do. And yeah, some guys in Singapore got off a plane. I was having a massage. And the lady said, Oh, you'll be chubby. And so he saw my thing and said, I love the ad, I want it. Right? And so that was hilarious.

So yeah, I think it's worth putting in the extra effort when you're trying to get out of something to just get that little bit more as a seller, someone who sells for a living. Put that little bit of extra effort in and then let go of it. It's gone. Once it's gone, I've got a spreadsheet when I sell a surfboard, it moves down into the gray area, which means I've sold it and let it go. Right?

The stuff to focus on

There's no point thinking about it after it's gone. You just have to switch it off. Focus on the things you have. I like that sort of saying about, don't be so focused on all the things you don't have that you forget to have gratitude for the things you do have. And if you are getting close to the end of that cigarette, and it's getting to the butt, just do a stock analysis.

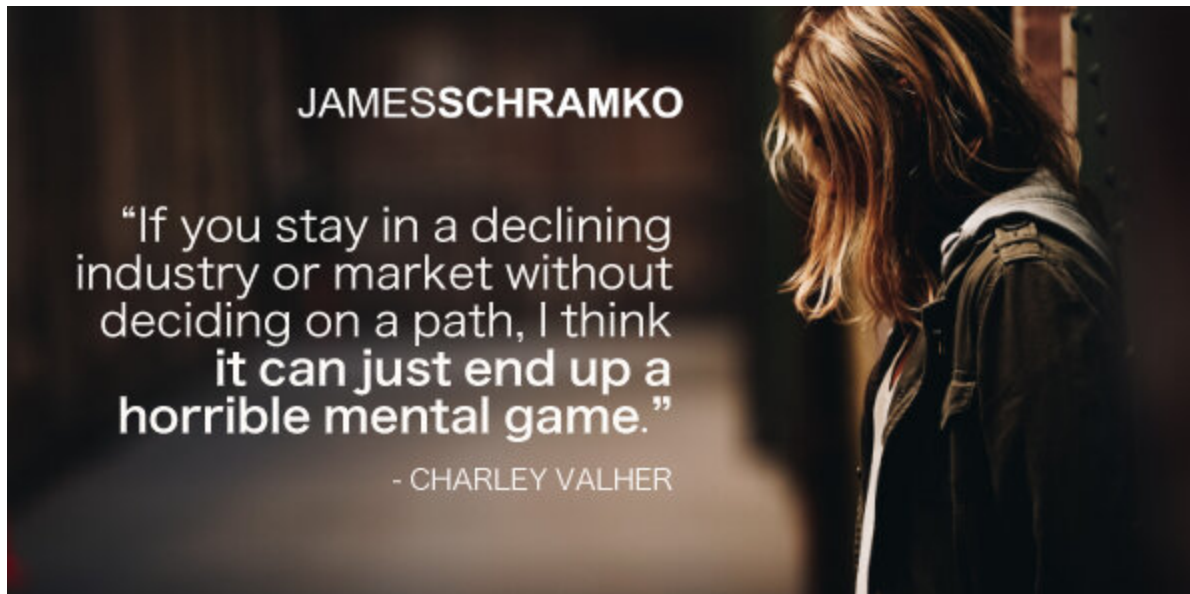
What have you got? What's the inventory look like? What are your skills? What are your past successes? What do you love doing? What have people hired you for? What have they said you're great at? Where do you see the opportunities? What are you most interested in and following? And start leaning towards that. And get some help if you want. I think that's important. And if you want to know what the trends are in the property and investing world, where can they go, Charley, to find out more about you?

Charley: So it's businessandinvesting.com. If you search business investing on wherever you listen to your podcast, whether it's YouTube, Apple, Spotify, you'll find us as well. We often do trend episodes and speak about some of the exciting opportunities and ways people could reconstruct where they're kind of heading that I think would have some huge advantage.

James: Beautiful. And of course, I've got an extensive archive of case studies on this podcast where you can hear where someone was at, and what sort of challenges they were having, and the things that we did to actually get them out of it, and then the success that they ended up having. And of course, through help from me and our community, which is awesome, over there in the James Schramko Membership.

A bit of parting wisdom

Charley, always a pleasure to catch up. What advice would you have as a fitting end to this episode where we've been talking about, if you realize you're in decline, and you need to make a change?



Charley: Make a decision. I think speed matters here. If you stay in a declining industry or market without deciding on a path, I think it can just end up a horrible mental game. The indecision and opportunity costs far outweighs anything else. There's ways to win, and just huge bias towards change, and change is the way you win.

James: That's it. And I've seen situations where people have an end coming. The story that comes to mind for me was my local surf shop where the rent got increased a lot, according to him, allegedly, right? It was almost double. And he said, I can't afford to be in this business. And I was like, Why don't you email your customers? Why don't you do some marketing?

Oh, no, I couldn't, I don't want to annoy them. I'm like, Dude, you're literally going out of business. Like, what have you've got to lose? And I know I've told this story before, but we did some marketing for the final weekend. And we sold everything, pretty much everything in stock. And he said, I wish I'd done this earlier.

And he could have still had a shop. I imagine he could have still been in business if he'd just - it's not hard, just email people who actually bought from you before and ask them to buy again. That was the power move.

Charley: These are the things that happen, though, he would literally rather go out of business than send an email.

James: Because he didn't want to bother people. So get over your mental hang-ups. Look after yourself. If you know you're in trouble, act early. That's a good one, Charley, I appreciate it. Always a pleasure. We'll put this up with some show notes at episode 1016. And I hope you'll come back and share some other topics. We've got a few other interesting topics to talk about. I think we should go deeper on challenging circumstances. And we should also talk about networking, because you're very good at that.

Charley: It'd be a heap of fun. We'll do it soon.

Charley's history with James

James: By the way, I looked it up. We first interacted in February 2014.

Charley: Wow, so it is nearly 10 years.

James: It is almost 10 years. Yeah.

Charley: James, just to think about it that, and I don't know how seriously you took that comment, or if it was a throwaway comment or anything.

James: I'll share this. You joined my community in February 2014. And then you asked in March how you can unsubscribe. [laughs] That was our first interaction.

Charley: Can I tell you more?

James: Go on. I'd have to research what happened there. But I mean, obviously, it ended up better.

Charley: I can tell you. So I asked you, I gave you my circumstance. And I said, Well, you know, how should I go about this? And you said to me, You seem to be pretty good at this paid ads thing. I think you should focus on that. At your time, [Mike Rhodes](#) had a community, or had a course in your program, the Google Ads one.

So I went through that. And then I was - I'll be real, I just didn't have any money. And I had to choose between hiring you or hiring Mike to teach me AdWords. And I was like, Well, James thinks it's a good idea I go into this paid thing. So I paid Mike to upskill me, because I needed the direct, like, tactical skills, because that's what I was trying to grow. And it ended up booming.

James: Was that in his paid community?

Charley: Correct.

James: Which he came to Manly, and as part of a member of mine, asked me how to build a membership, and sat down and I shared him the blueprint. And I'm looking here, you came back in August that year, asking about SilverCircle.

Charley: Yeah, because I started making money in paid ads now, then I was like, well, now I can come back. [laughs] So funny. It's like, I was so broke then and just like really trying to make it, right. That was my launchpad year.

James: You just killed it. I love these stories. Honestly, I haven't looked at - I did search the inbox for so long, but...

Charley: It worked so well. I was like, I need to find out about this SilverCircle thing, because I'm like, it works. He knows something I don't. And now I know how to actually do ads for Mike. We'll make something out of this.

James: That's it. It's amazing. You're a superstar. I love it. It's such a privilege that we get to have you come on, and share your experiences, and to see that sort of growth. You know, I've often said, if you give yourself 10 years, you can change pretty much everything in your life.

Charley: I concur, James.

James: Thanks, Charley. See yah!

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