



JAMES SCHRAMKO

# How to Scale from \$100K Past \$1M (A Six to Seven-Figure Roadmap)

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Are you wondering how to scale a service business from six to seven figures? James and Growth Labz's Will Wang discuss how it's done.



**Will Wang**

**James:** James Schramko here. Welcome back to my podcast. This is episode 959. Reminds me of an old Porsche model 959. When I was a kid that was like, the ultimate. I've got [Will Wang](#) on the call. You're a Porsche man, Will.

**Will:** I am. I'm a recent convert to the car-ing world, I guess you could say, never understood cars when I grew up. But yes, I need to get into it now.

**James:** Nine five nine might have been for your time, but it was pretty cool, exotic, all-wheel drive supercar. Today, we're talking about going from \$100,000 to beyond a million dollars. This is a sweet spot where I've certainly spent a lot of time specializing, helping people go from that magical six to seven-figure journey.

But it's always good to get thoughts from another marketer and other business person. You've got different data sets, different examples to share today. So we're going to back and forth some of these ideas. And we've got a few key talking points to talk about.

**Will:** Awesome. Thanks for having me back on, James, excited to dive into this one as well.

**James:** Always get great feedback. Of course, you're running an agency there, [growthlabz.com](https://growthlabz.com). So you're helping people do this from a paid, done-for-you service. I imagine there's sort of a done-with-you element. I know occasionally you teach people how to do it, as well. So we'll talk a little bit about that today. What are the three ways that you've seen people scale?

### **The three ways people scale**

**Will:** Yeah, so there's really only three ways people have done it. And I think what we'll do after, if it's okay with you, James, is we're going to a roadmap that we look at when we take on, for example, revenue share clients, but the three key points, it's been established, a lot of people have talked about it.

So to give a high-level overview, it's getting more customers, it's charging more per customer. And it's having either recurring purchases or more offers or products that your customers can buy. So if you boil it down, it's kind of just two areas, more customers and more value each customer.

**James:** Right, so back to the classic [Jay Abraham](#) sort of three ways model. So we'll dive into those things. Of course, that's an overview. It's shocking to me actually that some business owners aren't even thinking about those three things. You know, like, in our surfing industry, which I'm pretty familiar with, I've noticed some of them have just started to do social media marketing.

You know, I've been begging some of them to do it for a decade. But some of them had just started, they realized that they could actually, you know, if they keep putting offers up, people miraculously keep buying. So that's one way they can do it.

## **The \$100,000 business scenario**

Let's talk about what it looks like, when you're doing \$100,000.

We're talking about \$100,000 annually, just for clarification. What does business look like for a \$100,000 a year business? Clearly, that could be a one-man band, you know, a solopreneur, as they say, just doing a service provision of some kind or selling something, it doesn't have to be a big business. But often, people get stuck there. Let's just see what that before scenario looks like.

**Will:** Yeah, so for me, the best way to do this, James, is to kind of go back into history and look at kind of where I was when we started working together, because this is almost kind of a case study for what you do as well. But looking back on where the business was, right? I think 100K is a very hard revenue to crack over or to go over, just because of how constrained you are.

So I remember when I was doing 100K a year in my business, I was working a lot of hours, doing a lot of different services, outside of scope most of the time, for a lot of customers.

### **Trapped by scope creep**

**James:** Wait, just outside of scope, just clarify what that means, because it's a massive issue for most service providers, but they don't anticipate it.

**Will:** Yeah, so outside of scope in my case was for example, I'm a funnel services or Facebook ad services, and then my client would turn around and go, Well, hey, you're doing ads for me on Facebook. Why don't you just go do some Google ads? Why don't you just go do some LinkedIn ads for me? I'm paying you anyway, go and do something else for me.

And so that kind of escalates and grows and before you know it, and we were doing their entire marketing piece and doing strategy and copywriting and graphic design, and everything under the sun, even though we were only charging for one small service, which is meant to be Facebook ads.

**James:** And what do you think prevented you from charging extra when they asked for this or that? Because it seems like it'd be easy to say, Well, great. We're happy to add that on. This is how much that's going to cost.

**Will:** I think there were a lot of things. Looking back, confidence was definitely a key part of it and not wanting to lose clients because you think, Yeah, I can't charge more. They're really a small business, every month they're telling me, Hey, this is stretching my budget. If I asked for more, I'm just going to lose the client entirely.

**James:** And back then, I imagine you didn't have many clients. If you had one client or two clients and you lose one or two clients, you lose everything. So that's a compromise, right?

**Will:** Well, yeah, back then looking at the 100K mark, we'd probably had about five or six clients, each paying very little. But every time we lost a client, it really, really hurt because it makes a big difference, right? You lose a client at two and a half thousand dollars a month, you're only making 10,000 a month, that's 25 percent of your revenue gone out the window.

And you're barely surviving as it is. I was barely surviving as it is at that level. So to lose a single client was actually super painful. It seemed to be more painful than just doing everything that they asked me for anyway.

## **What \$100,000 is really worth**

**James:** Also \$100,000 a year, back when I started my career, that was a lot of money. Actually, I may be wrong, I know my parents listen to this podcast. But when I was a kid in the 80s, I think my dad was making a six-figure income, like 100 and something thousand dollars a year, which was just like, it was a lot.

That was probably like today, \$600,000 or \$700,000 as an employee. For me, you know, \$100,000, when I started my career in the early 90s was a major thing. But now, the average wage is actually quite high. I'd have to look it up, but I think it's something like 80 something thousand dollars a year in Australia.

**Will:** Yes, it's about that.

**James:** Like so, 100,000 is actually, it's great if you can get there, but it's really the starting point, is what sort of point I'm trying to make here.

**Will:** Yeah, yeah. But I think when you have your own business and you're doing \$100,000, right, and that's before taxes and expenses, and everything like that, there's actually not that much leftover when you look at profit.

**James:** And depending where you live.

**Will:** Okay.

**James:** So if you live in an expensive area, then \$100,000 a year is not enough to provide for. If you live in a very cheap area, maybe. But I imagine most people want to go on that journey. So back to your story, Will, you were doing the scope creep, you were worried about losing a client.

## **What the other challenges were**

**Will:** Yeah. And because of that, because of the amount of extra work we were doing, and because things were so tight, it's really hard to invest back into growth. And so people at that level, or businesses at that level go for what I call the roller coaster, which is, you have a good month and you feel like an absolute boss, man, I made 10K, 15K this month, and next month you'll dip, just because you don't have enough time to fulfill all the services, you haven't got a good pipeline of growth behind you.

And so you start taking jobs that you shouldn't take, you start doing more than you should, and clients leave because there's just not enough of you to go around. So that's one of the biggest challenges that I faced certainly, when I was at that kind of six-figure level.

**James:** And a lot of people in that situation, they start doing things that may not help them, like starting new business models or starting on to the next thing because they want to escape the rat wheel and they jump into a different rat wheel or add rat wheels.

**Will:** Yeah, although, I mean, thinking about some of the things that I've done, it's not necessarily defined at that level. I think entrepreneurs always explore and look at, well, where can we improve, where's the efficiency here? But at that level, because it's so painful, and because it just feels like grinding every single day and not making progress, you're probably more prone to jumping around a bit more.

### **James's \$100,000 experience**

**James:** I know in my case, that first \$100,000, it came through affiliate income, so it was a very different path to you. You had the service line. And what you're describing, I think, will really resonate with a lot of people who listen to this. For me, I was affiliate marketing, and I was doing it at nighttime.

But I was feeling like I was sort of maxing out, I sort of reached a saturation point in the market where I couldn't really scale that a lot. I did manage to double it by competing with myself. So that's sort of under the have more offers, I put another website out there and started selling against myself under a different brand. I wanted sort of Pepsi and Coke in the same market.

But I really kind of maxed out there. And the next way to double the business was to add a service division. And that's where I can sort of see where you're at. I had two clients. But I was concerned that that's going to take up a lot more of my time, that's when I [quit my job](#). And then I added in, I had my own information products as well.

But as I started adding profit streams, I started fusing my focus, and it became hard to spin a lot of those plates all at once. And it was probably slower growing, but I felt like I needed to go broad to find the things that work and then prune back. And so where I'm at now is I'm pretty focused. But one part of my focus or half my income comes from a portfolio of multiple different businesses.

So those skills came in handy, but under a different business structure. And you mentioned revenue share deals. And that's the way that you're selecting clients now, is based on how much you see scalability, I suspect, is one of those elements.

## **Looking for scalability**

**Will:** Yeah, exactly. I think one of the things that you've really helped me with over the past few years is having the focus on where we're strong and having the focus on keeping a good business model, but having also enough creativity in play within that.

So one of the things that we're doing, when I look at scale for our business, is looking at a portfolio of half of the clients working like we normally do, which is retainer, you know, the bigger clients don't want to do profit share or revenue share, that's completely fine. And so they just pay a retainer.

But it's also a lot of fun to work with some of the smaller clients who are probably doing \$200,000 or \$300,000 a year, and they're looking to get into that \$1 million plus mark. So for those clients who come through and don't necessarily, or they can't afford the retainer we normally charge, we've started to look at revenue share plays here.

**James:** Right, so just to explain that - and what I'll do, I think I'll put a link to some revenue share training in this episode. So at Episode 959, I'm going to put a link to [the revenue share training](#) that I've done. It'll be absolutely free. And you can check out the type of deal structure that I'm talking about and that Will's talking about. It's a way that Will and I have structured business as well.



But the big point here is you have to figure out whether the business model you've chosen has the ability to scale or if it's going to be capped. If it's not capped, and you start going into different business types, you start to diffuse your focus. But if it is capped and you don't, then you're going to miss that growth opportunity.

So what Will's done, and the same thing I've done, is I've split half my business focused on my stuff and half my business is growing other people's businesses. And Will's doing the exact same thing, because we're both business growth specialists. That's what we're able to do.

### **Seven-figure versus six-figure businesses**

So we should talk about, what are the seven-figure businesses doing differently that a six-figure business is not doing?

**Will:** Yeah. So the key thing that I've seen, especially for my own business, as we've kind of gone into that seven-figure mark, is consistency. And it's something that we were really missing up until now. But the consistency in terms of our own marketing, consistency in terms of our own message, our content, our growth, and just having someone in the business, whether it's the business owner, or some of the team, who's in charge of driving the growth.

So we've now got a metric of how many phone calls or sales calls we need to come through every single week. And if that doesn't happen, someone on my team raises the alarm and goes, Hey, Will, what's going on? Like, why have you not done these actions to get this happening?

**James:** Right. So that is a lead metric that's going to predict the future of your business, and you're tracking it on a constant basis.

**Will:** Yeah, exactly. And that's one of the things that really is hard to do when you're struggling and you just don't have enough hours. So if we look at a good seven-figure business, and obviously, a lot of the information here and a lot of the business structure and tactics and strategies are things that you've shared with me, James, but it's all about the consistent growth.

It's all about being able to understand your numbers and know off the top of your head, Well, here's what my numbers are like, here's my margins. Can I afford another team member? Or you know, where are we looking to get the growth from?

## **The concept of setting triggers**

**James:** And I talk about setting triggers for this. So often when I'm coaching someone I'll say, Well, you're not quite at the point yet based on the numbers. But when you reach this particular number or this particular percentage, or this particular ratio, that's going to be the trigger to activate the next hire or to do this next step.

So I guess sometimes it's good to have someone in your corner, whether it's Will, whether it's me, to be able to tell you what those metrics look like, based on the past. So when I had an SEO business, we knew that for every X number of clients, we needed another support person. So for example, let's say the number was 20 clients, per 20 clients, we needed one new service operator to handle that client capacity. That's an example of a trigger.

It might be that when Will reaches this certain percentage of profit, that he needs to hire someone to grow the business to the next stage so that he can take the revenue up with it. Even though it will slightly dip the profit percentage, it will make its way back up there as it grows to the next layer.

## **The counterintuitive way to increase profit**

Just on that, here's a really interesting and fun one. Most people I know who run six-figure businesses, that's like \$100,000, \$200,000 businesses, they make too much profit as a percentage of their revenue. And that sounds counterintuitive. But the bottom line is, if you had 100 percent profit on \$100,000, you'd make \$100,000 profit, right?

If you made 50 percent profit on a million dollars, you'd make \$500,000 profit, that is 500 percent more at a 50 percent profit margin than 100 percent profit margin at too low revenue. So the big challenge that I've had is reeducating six-figure businesses, Hey, you know what, you need to invest more, you need to reinvest some of that revenue back into growing your business. And you just said it there, Will, consistently investing in growth.

That could be having a coach, it could be having a done-for-you service, it could be hiring team members, it could be getting contractors. It could be attending events, travel, networking, etc. There's lots of ways you can reinvest over time. These days, investing in content marketing, getting materials, like a book, a lead gen funnel, a challenge or whatever, webmaster, those sort of things can all be investments, running ads, I'm sure you've seen the gamut.

But it's very little point doing this unless you're tracking the numbers and the margins. And you've mentioned that as well. So in a seven-figure business, you're going to see that they do have a consistent way of growing, they do track and measure their performance, their numbers. And the other thing they're doing is they've now formed an identity beyond the solopreneur, beyond the owner, do you want to speak to that?

## **Sometimes one coach isn't enough**

**Will:** Yeah, just before jumping into that, and that is such a key point, and for me, that was definitely a key growth point for us. But going back to what you said about having the right coaching staff, one of the analogies I look at is, you know, professional soccer teams, professional basketball teams, whatever team it is, they've got a massive backroom coaching staff, right, they've got coaches for a specific type.

For example, with say, soccer, they've got coaches to teach offense, coaches who work with the goalkeepers, coaches who work on fitness. And I feel like in my journey, and across some of the clients we've worked with, the best success and fastest growth with the clients we've seen are when they've actually got a similar kind of model.

So the clients that we've had and come on board with us, because I've worked with you, see exponentially more growth than other clients who just have one coach they trust to do everything. And that's because I know for a fact that we're really good at the funnel, the offer, the copy or the marketing part. But I'm not strong on operations and business model like you are.

So that just goes back to that point of, you know, having the right coaches in your corner and not just one coach I trust to do it all. So I'm a big believer in that as well. So a lot of the seven-figure businesses we work with and beyond have really good board of directors or advisors or just mentors that help them.

**James:** By the way, that's one thing I've noticed change for me. In the time I've been coaching, let's say from sort of 2009 or so, when my businesses that I was coaching were generally a bit smaller than they are now, I was the coach. I was the person. I've noticed some of the seven-figure and even eight-figure marketers who I'm helping, I might be part of their coaching panel.

There might be another person they're going to for coaching on a specific topic. I've got a few clients, for example, who have got a software coach, or they have a coach who helps them with professional speaking, that sort of stuff. So I've actually gotten quite used to not being an exclusive coach but being part of their coaching panel.

And I'm totally fine with that, because I recognize that these people are the first to go and invest in improving their abilities through an external intervention rather than trying to figure it out themselves.

## **Reputation lets you charge more**

**Will:** Yup. So coming back to the point that you raised about, or that we've gotten here about, you know, having a brand or a reputation, for me, one of the first things that I did that really helped us to kind of grow beyond that six-figure mark, and we can come back and look at the roadmap that we have at the moment, but it was about establishing the reputation of brand in what we're really, really good at, specializing in that particular market. And that by mechanism allows you to charge higher prices, which actually fills the rest of your growth.

So if you have something that you're great at, even if say you have a generalized service, there might be a part of that service that you're really great at, or that one segment of your customer base gets a lot of value from. And if you can go deep into that and specialize, you can generally start feeling the growth from the reputation and increase prices.

**James:** Yeah, and that's an amazing point. As I'm redoing my membership, I had a lot of notes. You know, I had this huge worksheet, I won't put too much of it on the camera, but what I've done, I've had this sort of epiphany, and I've worked on most of it when I'm surfing, but I've reduced it down to now the absolute key elements.

That is the playbooks, the little checklists or frameworks that I use repeatedly and for my clients; the sounding board, which is the way I prefer to refer to the coaching now, I'm more of a sounding board helping people on their journey; and the community, you know, bringing together good people is something that I am good at.



So they're the core elements of what I'm bringing through into my new membership. And I'm letting go of a lot of the old stuff where you have to shed that. It takes guts, I think, to let go of trying to be everything to everybody. It's a common problem with a six-figure or \$100,000 person, as you described earlier, the scope creep, trying to solve all their problems so they feel the need for you and that you're worried about saying no to them.

But if you can really get clear about what you're good at, that's how you sort of move forward and upwards to be that seven-figure business. You hit the million dollars, because you're now the absolute best in the business at the thing you do, but the thing you do is much clearer and everybody knows it. That's that reputation element.

## **A framework for growth**

**Will:** Yeah. So I think we've covered kind of a high-level overview. What might be really good to share with the audience as well is a kind of framework or roadmap that we look at when we discuss or when I look at businesses that come through to us going, Hey, can we do revenue share? So if you don't mind, James, I'd love to share the framework that we look at to get the growth as quickly as possible.

**James:** I think that will be amazing. And just a reminder, I will put up some revenue share training, I'll put a link to it on episode 959. So be sure to go to that episode at JamesSchramko.com, where you'll see a resource that you can get a summary of this conversation and a link to the revenue share training. It'll be available on that page, so that you know what we're talking about.

Revenue shares, simple explanation is that you will help someone grow their business or provide some kind of service or value where you will get a small percentage of their revenue as your royalty or fee for doing that. Okay, that's the short version of it.

And let's talk about what your revenue share deal selection looks like, because I'm sure that you're looking for the same attributes that you know you can help grow a company or a business. It's also going to be useful for people to know if they possess this themselves.

**Will:** Yeah, so our framework for selecting the right partners for us kind of goes back to the idea of, what can we help people with as well. So there's a few other factors outside of this, but I'll look at common factors that we need from both ourselves and the partner before we look at what makes a good revenue share for us.



## **What are you doing and not getting paid for?**

So the first thing that we look at or that are examined when we talk to someone about their business and look at potential revenue share is, how can we make money really, really quickly? And the first point I look at is, well, what are you currently doing in your business or service or product that you're doing for your clients but you're not getting paid for?

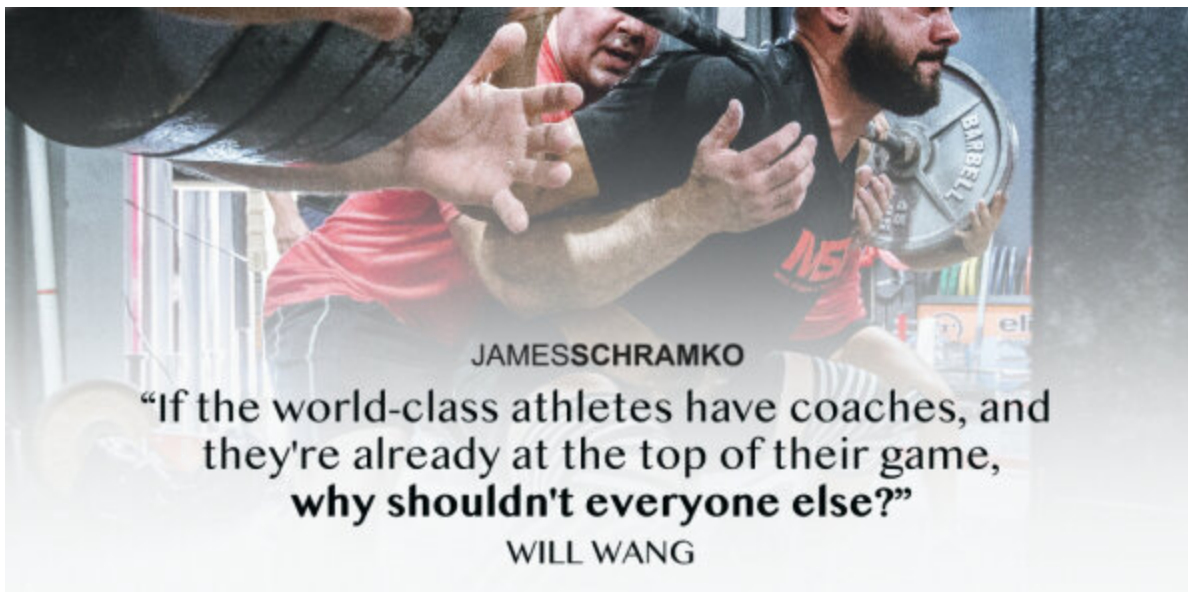
And so the best example of that is my newest revenue share client, actually, they sell listings on the website for the particular industry, and people, companies pay them to be listed on the website. But what they were doing on top of that was they were actually nurturing leads coming through from the content business and then giving them to the people who were listing their businesses, right, listing the companies. But they weren't charging for it.

And so that was such a valuable service that they were providing, including lead nurturing, lead filtering, getting information about the leads, and even talking to the leads before they passed them through. But for some reason, they just weren't taking the value portion for themselves out of the equation. So number one thing is, what are you currently doing at the moment in your business that's either outside of scope, or you just added on as goodwill, but you're not getting paid for?

**James:** I love that, it's so critical. I mean, I run a podcast, and I make a lot of referrals, and a lot of them are for free with no commission or whatever. And over time, I've been able to find partners who supply those services. And I can actually get a little piece of that action, you know, not costing the prospect anything, but hugely beneficial to the partner who would have to spend money on marketing to find these people.

So I haven't completely covered that, by the way, I still make lots of free referrals, but that now I put more into the reputation thing, it's more important for me that the customer gets the best service or result, rather than me getting the commission. And putting the customer first has never hurt me.

But I think in this case, such an obvious win for your client. And it's a real advantage, don't you think, Will, to come into someone else's business and see all the things that they're blind to?





**Will:** Yeah, and it goes with the point that we made about coaching. I mean, the amount of times you've pointed out things for my business where I had no idea this was happening, but then you'd fix it. And it just takes it to the next level. I think the analogy, going back to the athletics, right, is even the fastest sprinter in the world, even Usain Bolt has someone to train him on how to run better, right, how to sprint better. So if the world-class athletes have coaches, and they're already at the top of their game, why shouldn't everyone else?

**James:** Yeah. I think it's like, if you're in a rowboat on a lake, you're in your boat. And you know, if I'm flying around in a helicopter, and I can see the next three parts of the lake that you haven't arrived to yet, or where all the other people are, it's easy just to point it out and say, Hey, you know, if you just go around that point to the left, you'll find a beautiful lagoon, and you can throw up an anchor and do some fishing and have a picnic. You know, that intel, it's fantastic to have.

### **Where are you undervaluing your business?**

All right, what else are you looking for when you're talking about revenue share deals?

**Will:** Yeah. So the second part is, where are they undervaluing their business? So again, the example, I guess my business would have been a great example where we were providing such a good service in terms of copywriting, we were getting amazing results. But for some reason, there was the mindset that we couldn't charge more.

And so this is something that I look at retrospectively. And obviously, you really helped me with this bit. But we go to businesses and say, Well, can you raise your prices by 25 percent or more? Is there enough value in here that you're providing to your clients where it's disproportionate to what you're charging? The second bit is, firstly, you know, what are you not getting paid for? Secondly, what are you getting underpaid for?

**James:** Yeah, this conversation often looks like, hey, the business or the service saying, oh, you know, like, it's easy for me to do this. I don't think they'd really value that much. And then I will talk about, How did you learn this? How long did you have to practice this? What courses did you do? Where did you have to travel? Who did you have to meet? How many clients have you worked on to get to this level of expertise? And the answer will be a lot.

For example, like, behind me is a bunch of books, of which I actually have read. Some people asked me, is that a screenshot? No, it's actual books. Definitely the single best investment I've ever made in my life. And I started early, you know? I think, one of those books on there, I bought when I was 12 years old, a book on selling, of all things.

And for me to read all those books over the last few decades, let's say four decades, I've read those books, you know, I've spent time, I've spent a lot of money and time to acquire the information, and then to deploy it on all the businesses over those decades, including when I was in my own career, and see what happens.

Now someone can tap into that today, they can come along to my website, purchase a membership, and tap into that information today, instantly. So there is a value in that and I've been able to prove that value. So that's sort of a clear example of what we're talking about here.

**Will:** Yup. And also the other side of that, looking back in the first deal that you've helped me with when we first started, James, was it was a copywriting deal. And you know, at that time, I think I was charging somewhere around \$5,000 for like a full-on copywriting campaign, like a massive campaign.

And I remember you saying to me, Well, if you can even get half of the results you think you can get these clients, how much money are they likely to make? And I thought about this, Well, even if we only do half of what I think we can do, they'll make easily \$300,000 or \$400,000.

And so you then came back and said, So you're charging less than one percent of the value that you can generate for them. They're going to freak out and go, You're too cheap, you can't do the job properly, because you're not pricing, so you're not taking the time to do it correctly.

So that's the other side of looking at it too, because if you're providing a massive amount of value, like millions of dollars, why couldn't you take at least 10 percent of that value? Right? That's only a fair exchange. And so that's the other way that I look at it as well, like, where are you providing exponentially greater results than you're getting paid for?

**James:** When I was making a couple of \$100,000 a year online, and I was doing super affiliate stuff, and I had my first few clients, one of them was a lawyer. And I was ranking them on Google, I was running their AdWords, I built their website, I did all their analytics and reporting. And I was pretty concerned, like you talked about before, I don't want to lose this client.

They were paying quite a lot, like \$5,500 per month. And they're spending money on ads on top of that, probably \$20,000 a month in ads. And I thought, I just don't want to lose this. And I never heard from them, as well. I think I went into the city twice in seven years.

But later on when I talked to them, I'm like, why are they so quiet? Like, how come they never speak to me? And it turns out, they were just having trouble keeping up with all the leads. And I asked them, What is your average customer worth? Right? And for this lawyer, their average client value was around \$150,000.

So then I figured out, how many leads would I have to get them in a year to justify my fee? My feet, you know, at 5500 per month, we're talking about less than what one client was worth in a year. So then I realized, you know, they're not going to be an issue. And they weren't an issue.

In the end, I handed them over to one of my clients as I moved out of that business. Because it's funny, as it is, eventually, those two clients were just a small fraction of my income and a totally different division to where I was going with my SEO service and the memberships. So it's funny how once you ask what it's worth to the customer, that could be a very good indicator for price anchoring and to give you an indicator.

But the other thing that was happening is when you were telling me your prices, I can compare that to all the other people that I've seen and how much they charge. And I can know straight away, well hang on, that's just way too cheap. And often, this is crazy, but often when I say that to the business owner, they're like, Yeah, I know, I've been feeling like it's too little, but I'm scared to put it up.

It's back to that number one word you said at the beginning of this podcast, confidence. If you're generating a lot for your clients, it's okay to charge enough that you're not under selling yourself, because I feel like there's a direct relationship between how much you charge and your self-esteem.

And some people have got a low self-esteem based on fear of being ostracized from society, or you know, they're feeling a lack of significance for whatever reason, maybe bad conditioning as a kid or whatever. But if you are providing great value, then step up your self-esteem. Bank your self-esteem and say, You know what, I'm actually good at this.

And the barometer will be, when you charge those rates, will people still buy and do they complain? It's something I ask people, do they complain about your pricing? If you're not getting complaints, and there are people who charge more, and you're at least as good as them or better, you might as well try charging a little more. That could be a great outcome from this episode alone.

**Will:** Yeah, exactly, exactly.

## **Who are the wrong clients for you?**

**James:** What next?

**Will:** Yup, so now that we've covered the first two bits, typically, what we do with our clients is we help them structure a new offer that we take to our best clients, and that generates immediate revenue. The reason why we do that is because of the third point, which is looking at who are the wrong clients for you?

So for all new rev share partners that we work with, we look at a 20:80 analysis of who are your best clients who love working with you and produce lot of profits for you, what are they buying from you? And what that allows us to do is to see the clients who are either taking too much time, or you're making zero profit on, but you're just scratching your head every single day going, What are we doing wrong with these clients, or just people who are making your life miserable.

And the third thing we do is just have a way of either moving those clients into a better situation, i.e. charging them more and getting them to play by your rules, or we just say, Look, unfortunately, we're just not doing this type of work anymore. I can refer you to someone else who can do that for you.

So the reason why I did the first two is to have extra revenue so people don't freak out and go, Oh my god, you're stripping out 30 percent of my business. But at one point, you do have to say, Look, for us to grow it and stop being restrained and capped the way we are, we need better clients and provide better services to better clients. So by extension of that, we have to get rid of the clients who aren't a good fit for us.

**James:** You know, just by removing the wrong fit clients, it automatically can lift your profitability and your joy in the business. I find myself in this situation right now. I've been carrying a lot of clients with - I've been over-servicing them for too little for this one particular package that I offered.

I'm not sure how long ago, but I'm guessing it's five or six years ago, I offered a program that in today's terms and where my knowledge is at, and how much I can help them, is they're underpaying. And I have to make a call on that. And it's something I've definitely been putting off, because I feel like I really want to help people, but it's now become such a small part of the portfolio, but a large burden. I need to make a change around that.

So I basically make that change as I change my platform. There'll be a small little ripple, you know, a speed bump in the carpark so to speak, that a few people will fall out, but it's necessary. And it's better for the long term. Because one thing that I've seen people do, if they put up with a compromise for too long, they end up hating the whole thing and just giving the whole thing away. Whereas a few small changes could have fixed that.

I'll give you a very clear example that you can relate to, Will. In the early days of my Maldives mastermind, I made it a surfing business-type trip, I combined my two loves. And that worked out pretty well. But then there were people who wanted to come who don't surf or whatever. So I compromised a little on that, and I made it more of an experience. And there were some people who scuba and some people who surf.

But what I noticed is, it sort of ate into the surfing a little bit when we had to accommodate all the scuba divers, because the boat can either do one or the other, but generally not both at the same time. And then later, I realized that I'm starting to feel a bit drained because I'm having a lot of business discussions on the boat, you know, like masterminds before dinner and one to ones.

And I sort of got to the point where I didn't really want to do it anymore. And then I was chatting to my friend [John Lint](#), he said, just make it not about business stuff, just make it about surfing again. And so the last trip we went on, and you were there, Will, I didn't have the mastermind components or commit to the one on ones.

I still talk about business because that's what I do. And the other people still talked about business. And it was an unstructured business surfing trip. And the majority of people on the boat were surfers. And it was definitely the most enjoyable one that I've ever run. It was so good that I immediately rebooked everyone for the next year, right? Of which, like, it's pretty much gone already, which is amazing and a testimony to how good the trip was.

But it was about having to change the program to suit the way that it needs to serve me, but still serve everyone else. And I found that sweet spot. It really does suit surfers who were also open to chatting to each other about business. And that's where it's landed. And there is, fortunately, there's enough of them that make the trip totally viable.

And so that's a story about having to be clear about who is the wrong client for me. The wrong client is someone who's not a water type person, or who's only going there to talk all about business. If they want to sit in mastermind for eight hours a day, that's the wrong person for that trip. We had one of those once, it was not pleasant.

But anyway, you learn through adjusting and iterations. So I'm pleased to say we're back on track. But sometimes you have to make serious changes and be clear about who are the wrong fit clients. I think wrong fit clients are a great way to call out what you are good for.

And it probably should be on every sales page, who this is not for. If you do that, it's going to save you so much pain in trying to service the wrong people. Trying to service the wrong people is a business breaker, and it will cap your income.

**Will:** Yeah. And one of the points, even when you're desperate for money, like I was for, you know, when we were at six figures, it was always a bit of a scramble. Even at that point, it's like, I know I'm desperate for money. But I also know that if we take the wrong clients, not only are they going to start demanding refunds, they're going to take all the time away from me serving the good clients and holding space there for the great clients to come through and into good things with.

So it's one of those things where it's a lot more difficult at a smaller level in terms of business, but it's so much more worth it. And you're right, just the enjoyment of having seen that in real life across two different trips, it's like having the right people makes such a difference. It can make or break an enjoyable experience.

**James:** You know, and I've been filtering clients for so long now that I have so little drama in my life. And I'm very grateful for that. But it's intentional. I love these little sayings around it. Firstly, I don't let the wrong people occupy rent in my head. And they say the person who can forget about the other person first is the winner.

I can't even remember the names of some of my worst clients over the years, because they're so many years ago, and they're so insignificant now on the bulk of the relationships that I've had. You will forget the names eventually. But start filtering today, if you haven't. It will make your business so much more pleasant. And it will put you in a better position to really serve the people who you're a perfect fit for.

## **What does your market actually want?**

We should probably move on to the next point.

**Will:** Yep, so the next one is looking at the products or services that are actually your best sellers, and are what your market actually wants. And an example of this is one of my other recent revenue share partners, she came on board and she sold recruitment training to businesses. So she thought that she had this unique system would bring people on board and training them and hiring them.

And she was struggling to make the sales, right, she was struggling to get conversations with busy business owners and to actually sell her services in. And so we looked at what she was doing and realized that the people who had bought, bought for a very specific reason. They had bought because she had made a bonus offer to actually help them go and hire and recruit the people.

And so while she wasn't a recruiter and didn't want to be, the business owners she was working with were like, Well, first and foremost, I don't have time to go and learn a recruitment system, I don't want to run this myself. We've already tried a few things that hasn't worked. What we really want is for you to go find me some amazing team members, train them up for me, and have them running in my team like clockwork.

And so what we did was, looking at that, we restructured the offer, we looked at all the key points that we talked about previously, in terms of pricing, what we're doing, stripped out everything else that she was doing in terms of teaching them the system, giving them access to all of this, and just said, Look, if we can go out to the market, not as a recruiter, because our fee structure is different, but go and find you some really good people based on what you need to do and even write up the job description for you, how does that sound?

And immediately, you know, some of the leads that she was talking to that were like, a little bit iffy or weren't sure had turned around and said, Yep, we're ready to do this. And we're ready to invest a much higher price for it, because you're solving the problem in a much better way.

So the fourth point after it, you know, you look at what you're currently doing that you're not getting paid for, after you look at where you're undervaluing yourself, after you get the wrong clients is, what is my most profitable and high-ticket offer I can make to my market that actually scream me out for?



**James:** Love it. Yeah, I mean, doing a product inventory is essential, especially ecommerce stores, there'll be one or two items that sell like crazy. Use those as telltales or indicators or a trace dye that this is where the market is at. And I do this on a regular basis. I pull up a spreadsheet, I ask my team to populate our product lines.

And we have a look at, where is the most revenue coming from? Which are the most profitable products? What's the best effective hourly rate? What are the easier products to grow or mutate or repurpose to get into that next stage of profitability and growth? And then, which ones are just sort of, okay, maxed out?

And when I do this, it's always surprising. The one that blew everything away for me was affiliate income. For just sending an email or two, you can add six figures a year, if you have got a reasonable size business. And I'll just say this sort of metric: affiliate income can easily be an extra 30 percent on top of whatever revenue you're bringing.

Now when we're talking about revenue share deals, that is a form of super affiliate relationship, that's like a joint venture partner type arrangement, but it's on a performance basis, the way that Will and I structure them, well certainly the way I do. Will probably is in a position to add a retainer as well if he wants to. And you can do it that way.

Just for reference, this is episode 959, and I will put up some training about revenue share deals on this episode if you want to download the little transcript or the summary points from this call at episode 959 on [JamesSchramko.com](http://JamesSchramko.com). I'm chatting to [Will Wang](http://WillWang.com) from [growthlabz.com](http://growthlabz.com).

So look for your best products and then decide what are people trying to buy and create that product and test it. And please don't call it beta, if you're going to give it a name, call it pilot. You know, like a TV pilot show. The studio likes it, they're going to pick it up and run with it. If they don't, then they say no. But beta is just codename for crappy first version, and no one wants the beta of anything, really.

**Will:** Yeah, when we launch the products for our class, we call it foundational members.

**James:** Love it. Foundation.

**Will:** That's the word we use, right?

**James:** Exactly.

### **Fix, then scale**

**Will:** Yup, exactly. Yeah. And so we've talked a lot about offers, I think people are probably wondering well, you know, we're a marketing agency, we're a marketing company. When do we look at lead generation marketing? And I say, it's only after we look at everything else in terms of the offer, the structure, who you're working with, what you're best at, what your pricing is, only after we figured that part out, which generally already brings extra revenue to the business. Only after that do we then look at, let's get back to market and find more people to buy this.

**James:** And that's because scaling a broken machine is just going to get you more damage, right? If your car is running low on oil, but you race it even more, you'll just damage it faster. So there's no point putting more throttle in. I was watching Formula One last night. And if a car is damaged, the pit crew is saying, like, Pull over, stop, like, immediately stop, turn off the engine, like they don't want more damage.



So there's no point scaling a broken business. Do the things we've talked about to fix the business first, and you'll be alright. So just a little sort of summary here, Will and I have been talking about growing your business from six figures to seven figures, from 100K to a million dollars plus. You want more customers, but they have to be the right customers.

You want higher prices, but you have to be able to give more value than what you charge. And you want more products or offers, and ideally recurring. But in order to do that, it's worth paying attention to which products or offers do people actually buy. Which are your best clients, which ones can you scale or repurpose or add on an affiliate income, or maybe even take revenue share deals on, top off on a performance basis, if you're that good.

We're also having a look at making sure you only service the right customers, that you are consistently investing in growth. That could involve marketing, it could involve getting the right help, that you are building a good brand or reputation beyond that solopreneur, that you're basically getting paid for all the great stuff you're doing. Maybe you're sitting on a goldmine that someone could point out to you or you could find yourself.

Maybe you're not valuing every component of what your business is providing to the market and you can just put a value on that and start tapping into that. Definitely screen out those bad fit clients. Look for a better way to mix your products and pricing before you scale. And once you've done that, scale it. Get your leads going by the traffic.

By all means, have a chat to Will at [growthlabz.com](https://growthlabz.com). He's an expert at this stuff. I'm sure he's happy to let you know if he can help you or not, that some of the discussions we've had is making sure that you only go for those sweet spot clients. If you are in that sweet spot, well, that's great for you. You could scale much faster.

**Will:** Awesome. That was a great summary, James. And thanks again for having me back on. And yeah, if anyone wants to talk about their business, more than happy to do so. I just love this kind of stuff. Love breaking it down. So if there's any kind of value at all, I'm happy to share it. So if you want to get in contact with me, [growthLabz.com](http://growthLabz.com) is the best way to do so.

**James:** Perfect. Thank you, Will. Appreciate it. We'll have you back for another episode. If you've got a topic suggestion, if there's anything you want Will to talk about on a future episode, let me know. They do inform the topics that we're talking about on this particular podcast. I'm James Schramko. I appreciate you being here today.

A person is pointing at a laptop screen. Another person's hands are clasped in the background. The scene is dimly lit, suggesting a professional or business setting.

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