

JAMES **S**SCHRAMKO

## **WHAT DOES A DIRECTOR OF OPERATIONS ACTUALLY DO FOR YOUR BUSINESS? (AND DO YOU NEED ONE?)**

Ever wonder, what does a Director of Operations do? VirtualDOO's Lloyd Thompson sheds light on the critical role a DOO plays in business success.



**James:** James Schramko here. Welcome back to my podcast. Today, we're talking with [Lloyd Thompson](#) from [VirtualDOO.com](#). Hey, Lloyd.

**Lloyd:** Hey, James.

**James:** So in this episode 1060, we are covering, what does a Director of Operations actually do for your business, and to decide if we actually need one. And we might even sort of go into defining Director of Operations, because I think it's still a relatively new term for smaller businesses who might have come up, perhaps, you're running your business as a solopreneur, like I did when I started in my moonlighting life, while I had a job and I was building my business up on the side, it was just me.

And eventually, I built a team. And even though by day, I had a full army of people, 70-plus people in the business that I was running, it was just me at night, and over time, I was able to build up a team. And then things like operations became critically important to step out of, because in the beginning, you're probably doing everything yourself. So let's just have a chat about this topic. And maybe we cover why we're talking about this topic on this particular podcast episode.

## The power of operational audits in business

**Lloyd:** Well, last time we spoke, we were talking about [how an operator could make you money](#). And, by the way, I've still got that checklist about how an operator can make you money.

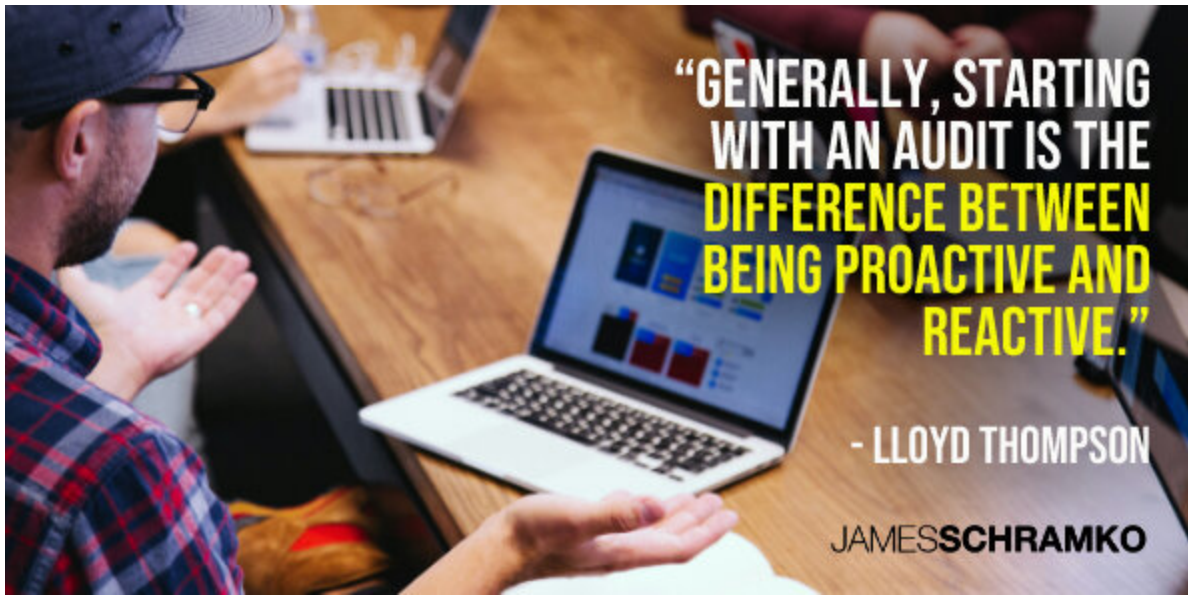
**James:** Where is that?

**Lloyd:** [Virtualdoo.com/checklist](#). But that's not the main reason that people come to me. They're not coming for me, Hey, Lloyd, I want to make more money. That's not the core focus. They're coming to me because they're an overwhelmed, busy business owner with a team. And they're overloaded with tasks, they're stuck in the daily operations, and they want to get out.

But when they've been referred to me, they don't really know what the Director of Operations is actually going to do to save them time. So this is why I thought, Well, why don't we solve that problem and get into and explain what they're actually going to do?

**James:** Go for it.

**Lloyd:** Yeah, so generally, I find the best place to start an engagement is with an audit. And the reason I like to do that is because if you just go and start, like, just start work straightaway, you might just get sucked into firefighting. Like, quite often, the reason we're being asked to get involved is because it's a bit like the emergency department, and they want to resolve that.



So if we just go in and start, sometimes it's hard to see the wood for the trees. And sometimes, we do have a business owner who comes to us with a very specific pain and need and says, Okay, can we just start here, can we just fix this, and we'll go for that. But generally, starting with an audit is the difference between being proactive and reactive.

**James:** So let me put that in a metaphor. It's like if I were to get bitten by a snake, and I front up at the emergency ward, they're obviously going to have to focus on that, they're going to be talking antivenin and dealing with that situation versus me, being proactive, I'm not being bitten by a snake.

I'm saying like, I want to do some blood work, I want to do some MRIs, I want to do some DEXA scans, and I want to figure out where I'm at on my health journey, and then proactively put in plans to do strength training, fix what I'm eating, improve my sleep, etc. So that's like the significant difference between an emergency and a proactive plan.

## The challenge of timing in seeking operational help

Like, how many people actually come to you before they have the emergency?

**Lloyd:** None. [laughs]

**James:** [laughs] I mean, I'm laughing because I relate to this as a mentor. Sometimes people come to me and they have gotten themselves into a really hot mess, right? And it's like, I'm doing triage, and fixing things. And I'm really good at that. Like, if someone's in that situation, I am going to be good hands on that.

But as you and I have experienced working together for many years now, I'm actually good in the background, proactively anticipating where things should be and just gently moving things towards that. And I much prefer the low-stress way of doing business. So what would actually incentivize someone to come to you before they have an emergency?

**Lloyd:** I mean, to be honest, it doesn't happen very often like that. They've already been bitten by the snake. I found that if they've got a small team, they're kind of running it themselves, and they get a team of maybe five to eight, and they're like, Oh, this is tough, but I don't want to spend money necessarily or try and do something else.

And it's when it's hit an emergency point that they realize they're just overloaded, and it's prohibiting them from going forward and actually working on their goals. And so that's the focus of doing this. We get involved, we understand where they are, we want to know what's the challenges they're having, what's the current situation, and where they want to go. Because if you don't know where you want to go, you're likely to end up someplace else.

## Preemptive planning's critical role in business operations

**James:** Well, you know, I can relate to this. When I was running the SEO business, there was a period where we had the hottest product in the market. We had a really good product, we had a couple of people reselling it for us. And we had a lot of demand. And I was trying to scale up the team, but it actually took us about a year and a half to get caught up.

And on top of it, what I found was, in our case, at least, once the pressure is on, it's incredibly slow to get it back under control versus preemptively sorting stuff out. It's like, if you can anticipate, let's say our job was to collect water for our village. If we show up with a teacup to the well, it's much harder to then go and find a bucket. We're out in the middle of nowhere, and there's not much resource or help. It's a long way back to the village.

But if we think, Oh, gee, I'm going to need to have enough water for the entire village, I should probably take a water tanker, right? And if we think in advance, Oh, I think we could increase our capacity to hold water, we can make this in one trip, it'll give our village enough water for the next month, then we have actually put pre-thought into that, and we're not sort of band aiding or trying to fix things on the fly.

And so, I know it's not appealing for people. But to put it in perspective, what is the cost, if you're willing to share, or the investment of time, money required just to do an audit to even find out if you can get a benefit or not? I presume you tell people if you can or cannot help them.

**Lloyd:** Yeah, I mean, we're going to have a discovery call at the beginning and see if this is the right fit, something that we'd be able to do. So, yeah, typically, we charge 4K USD. And it takes us about a month. And I liked what you said about, you know, would you turn up with a teacup, and have that forethought, but quite, and some of the things we do might sound pretty obvious. But when you're in the emergency department, you can't see it.

So there's simple things like, not only are we talking to the business owner to understand their challenges, but we talk to everyone in the team, or the main key, if they've got a huge team, we talk to like, the key players and understand, what challenges are they having? And what is working well? So if it's working well, we probably don't want to mess with that until last if it really needs to change.

But what's working, what's not working, what's their pain, and what are their interests, and what are their skills? Because when we do that, we'll find a common pain nearly every single time across the team. And by putting that on the priority list, when we say, Hey, look, your team's got this, that does something as well, that gets their buy-in to help us make change. And you can't do this without the support of the team. You'll just, you know, you're a key operator. And then once we've done that, kind of unstructured stuff, discovery, and that, by the way, is very powerful, just asking people.

## How external insights can unveil hidden challenges

**James:** Well, it just sort of reminded me that often, the founder of the business or the owner of the business is blind to this. They're often not getting feedback from their team members, for two reasons, I think; one, the team member is probably scared to share it or doesn't have a forum where it's possible to share that feedback, like, they can't pipe up in a meeting because they'll be shut down, if you've got a command-and-conquer leader.

And two is maybe they're just completely oblivious to it. And the team member thinks well, I don't want to stress them with this because, you know, they're always telling me how difficult things are, and I can see they're stressed, I don't want to add on to their pile. And so, I think the benefit of having someone come from outside is the team member now think, Okay, the founder has invested in this service, because they want to find out what's really going on. So they're on board and ready for discovery.

And two is, when you bring someone like your operation in, you have such a vast experience with systems and communication between team members that you know exactly what to ask and exactly what to look for on a multi-dimensional level compared to what often the visionary founder has been exposed to or has the experience to do, or even if they are really good at it.

Let's take myself, right? I'm reasonably good at running a big team. But I'm sure if I brought in a third party, they would be looking at things in a different perspective than me because of their own set of experiences. So that's what you, basically, when you make the commitment to bring in an external party to do that discovery, you will find things. It must be rare you go in and find nothing. Say, Tell you what, you have absolutely everything under control, finger on the pulse, there's nothing for us to do here.

**Lloyd:** Never. But it was something interesting you said there about, you know, those last two things about, you know, do we see something different? Actually, sometimes it's the founder has seen something, and they're like, Are you seeing this as well? And we'll say, Yes, we are, or, no, we're not. But sometimes, they're looking for that external validation as well. And someone else from the outside view.

## Efficiency and team harmony start with an audit

Of course, we do the structured stuff as well. So I talked about the unstructured. So, you know, how is the team set up? Are the right people in the right seats? What are the systems and the processes? Are the team rhythms running right? And we can see that very quickly, like, Oh, hang on, you've got a huge team, there's no structure, or the process here could be running a lot smoother.

Another thing that I've come to realize is the audit is a bit like an audition in a strange way, and that you've got to, if you're going to bring in an operator, they're going to need to gel with the team and the founder. So just having this one month, where they're working together, is a case where they're like, is this going to work? You know, it's a small investment to have an operator come in for that. And then the founder and the team can see, is this going to work? Is this person going to fit with us?

So, and at the end of it, then they've got a choice. We'll give them what we found and our recommendations to fix it. And then they can decide, do they want to do it themselves? And that's okay, bring in another person to try and carry on the same way. Or do they just want us to fix it? In which case, off we go, and that's the beginning of it.

We did an audit recently for a prominent marketer here in Australia. And he has a team of about 15. And he's got a great team. But what we found really quickly is that some of those people were in the wrong seats, had amazing skills that weren't being utilized. And he was busy thinking about hiring this other outside role, quite an expensive role. And we found that just changing the structure a bit, you know, reassigning some responsibilities, saved him over 150K off the back of a 4K audit. So you know, some things you can just see when you're an outsider quite quickly, especially if this is something you do all the time.

## Clarifying the role of a DOO in scaling

**James:** So for context, you know, since we're talking about what does the Director of Operations actually do? Do these businesses have a Director of Operations? Or they're running, you know, directorless, and they're trying to figure out if they need one? Or are they bridging with a fractional service that you offer? Like, what are we actually talking about here?

**Lloyd:** Yeah, good question. If it's a small team, like 10, you know, eight to 10, something like that, they're not going to have it. Quite often, they're not going to have a Director of Operations. When we get into the bigger size of the team that we'll handle, they have like an operations manager. And so, we will be sitting at the top level and putting the structures in the team.

So we sit between the founder and the team. And so, we'll be working with like, the lead of sales and marketing, and IT, and finance, and so forth. And if they've got operations, we're checking in with that, or coaching that operations person. So it really depends at what level they are. But I'm glad you brought that up.

Because the first way that, let's say, we've done the audit now, how do we start? Like, what's the main point or main focus that we're actually trying to do, is we're trying to save the founder time. And so that's where that Director of Operations sits between the founder and the team. That's where they sit.

So if they have an operations person who's dealing with the lower level stuff, great, we'll help them. But we're just like that remote control, so that that founder no longer needs to talk to everyone in their team and get involved with all the team issues. Instead, they give the things they want done, their goals, to one person, and that one person can get all of those things done.

## **The part a DOO plays in optimizing founder focus**

But then the other thing we're doing, so that's kind of like a downward view, like one way coming from the founder to the team. And the other thing that the Director of Operations should be doing is looking at what that founder is doing. How are they spending all their time? And how can we proactively take that off them?

So if they're doing stuff like deal-making and sales, that's probably great. But if they're getting involved with the team, like, we should be looking at, how do we take that off their plate? Can that be delegated? Is that something we can do? Should it be automated, you know? And it reminds us of, we started working with this e-commerce educator, and he's like a big frontman for his business, and he goes on stage, and he flies around the world, and he does webinars.



And then before we came in, he'd also be coming back dealing with all of his team, and dealing with his team issues. And then he's just physically and mentally exhausted. And I get it, I couldn't do both. That's crazy, right? And because he doesn't have the mental focus to then deal with the team, or what's happening, you know, he might just make quick decisions without much thought. And so issues have started to like, bubble up.

And so, when we came in, just sat between him and the team, we're able to see some things quite clearly. Like just one of them was that the team was starting to burn loads and loads of overtime. Meanwhile, there was a whole area of the team that was doing no overtime. And we found that some of the leaders were not delegating and purposely paying themselves overtime to do it.

We're like, Okay, well, we need to fix this. Reduce that, allocate over here. And so, it actually ended up, you know, quite easily just making a few changes, and you save money on overtime.

## **Emotional returns of streamlining operations**

But the most surprising effect or result of this is the feedback the founder gave us was not so much about his time, although that was definitely a huge saving for him.

He said, What I got out of this is return on emotion. I've got so much more mental, like, I'm not stressed about dealing with all these team issues anymore. I just talk to one person. So if that's one thing you take away from that first point of time, it's just about having like that one person remote control to the team.

**James:** Yeah, you know, back in the original four-hour workweek, Tim Ferriss talks about his team member who said, Let me do your worrying for you, Tim. So I want to just touch on the potential for conflict of interest here. If someone's bringing you in, they don't have a Director of Operations. Out in the market, there are people setting up Director of Operations businesses to educate them, create clubs for them. Like, they're saying, Look, you've got to have a Director of Operations.

## When redundancy is the goal...

That's a common beat of the drum. But these roles are not cheap. When you come in on a fractional basis, you know, the conflict of interest potentially could be, are you trying to stave off the owner ever needing to hire a Director of Operations? Or do you say you definitely should have one, and we'll just be your stop gap? Or do you come up with some hybrid in between?

Like, have you got examples where you've done handovers? Or you've encouraged them to hire someone where you feel that there's enough scope, or they're big enough for it? I'd like to know your perspective on this.

**Lloyd:** Yeah, both of that, both of those actually. So we're not there to embed or entrench, you know, actually, we're there - and this might sound odd - but to make ourselves redundant, like if we're doing a good job, then when we look at the dashboard of the reds and greens in the business, they're trending green, and we've created autonomy in the team. So the right people are in the right seats, doing the right things.

**James:** I want to stop on that one second. That was how I approached my role as a general manager. I wanted to make myself redundant. And it's how I approach my role as a coach and mentor. I want us, when we share the wins, I want the wins to be big. And when we share the challenges, if the challenge is, my only challenge is I can't think of something that's not going really well right now, then I feel like we're winning. That is the goal.

So I just want to point out, it takes remarkable integrity for a service like yours to be willing to be obsolete over time. But I think that's one of the greatest strengths you bring to the market. Because we know this, in agency world, and even in my experience with dealing with some professional industries, in particular, lawyers, and sometimes related fields, they generally aren't too interested in keeping the costs down.

They like to keep you going. Like if you ever go to a chiropractor, man, you go once, you're in there for life, you're on a lifer. They get you in there once, and they'll be mapping out a maintenance program for the rest of your natural life. [laughs]

**Lloyd:** [laughs] They're going to be doing the next backbone along.



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**James:** Oh my god, it's like it's a racket. Anyway, you know, a bit tongue in cheek if you are a chiropractor, please, don't send any hate. I'm just saying that was my experience. So it takes guts to set up a business where you're going in to help people not need you. That's my point. But go on, you extend on that.

### **Building sustainable growth through fractional operations support**

**Lloyd:** Perfect example. Yeah, I mean, we're working with a huge business right now that's growing very quickly, and they've had a strong view in the long term that they would hire a full-time COO. And when we came in, we could see that that was the plan. And that made sense. But they brought us into like, Hey, we know there's lots to do. And we know there's unknown unknowns as well. So let's come in and get going and lay the land for the person who's going to come in.

And so, this person has come in now. And we're still there. But we've said from the get-go, like, we're here, we're ready to hand over the baton, we can change our shape, we can reduce our scope, and we can gracefully exit, giving you the best ever handover. But then there's the other side where we work with businesses.

**James:** Just on that one, how much easier is it for the new guy coming in than what it would have been without you doing the prep work?

**Lloyd:** Oh, yeah, I mean, we would have seen a whole load of stuff. But as a very good - so in this particular example, the operator who's coming in is amazing, like, first impression's very strong. And, you know, his view is like, great, you know, he just sees us as someone who can help him do a whole lot of stuff he hasn't had to do.

**James:** I'm sure he's happy to see the back of you. You would be perceived as a threat or competition, potentially, you know, because he's getting all his income from one place. Employees tend to have a vested interest in building that dependency with the owner, they need the owner to want them and need them. So they will be glad to see the back of you. But he's probably appreciative of the work that's been done or may not even be able to grasp how bad it was because it now looks quite good.

**Lloyd:** Yeah. And I mean, it might sound like an odd move to try and make ourselves redundant if we're, you know, trying to make everything green on the dashboard and get the team autonomous. But it's actually really good for business. because most of my business still is referral. And so, if we do a good job, and we're fractional, we end up with, you know, for every business that we've done a good job, we can end up with two or three great referrals. And this particular business who's taking in its COO right now has been referring us clients, it's great.

**James:** That is a good model. And, look, I experience that with our own recruitment business. We just get a one-time placement fee. And separate, we're not the middleman, we're not scraping a wage on top of the team member. We just have that one-time placement fee. And so, it's kind of a crappy business model from that perspective, this is [VisionFind.com](https://www.visionfind.com). But the referrals are off the charts.

We've placed people into companies that have ended up being acquired for hundreds of millions of dollars. You know, the track record is impeccable. And it feels good. We feel like we're doing the right thing, even if it's not geared in the business's favor. If you gear your client to win, and you can still prosper, I think that's a sensible model. You know, I'd be more inclined to hire your service if I knew that your goal wasn't just to embed yourself in there forever.

**Lloyd:** No, it's not to embed ourselves. And I mean, actually, you know, the guy I was just talking about prior, the e-commerce educator, we did a very good transition, helped train up one of his team members. And it's good business for us, because he's just called me the other day saying, I've got some other big business coming right now. And guess what? We need you to come in because we want to just go for it.

So it's good. And some people will just keep us in for the long haul because even if they do get to a scale where they're like, let's say they've got 50-plus team members, then that's not really where we're going to run a whole team, not on a fractional basis, no. But we can still be there and run a pocket where we can just integrate certain functions. And that's still seen as valuable, because we're month-to-month, and it's low risk to them.

## **Combating chaos with operational smoothness**

But the second thing I wanted to talk about, so we spoke about time, I want to talk about the second thing is operational smoothness. And that's the other feature. Because you know, we go into places, it's like Whac-A-Mole or the emergency department. So how do we get it smooth? And that normally involves these things: it normally involves rhythms, like what are the rhythms that we need to run the team in terms of team meeting cadence, and things like that and huddles, and things like that? I'll give you an example in a second.

Things like dashboards, where you're looking at metrics and KPIs. And then the final thing is the feedback loops. So you know, it's red on the dashboard. What are we going to do? Let's have a feedback loop, or we ran an event or a campaign, well, did that go well? Did it not go well? You know, how are we going to feed back?

So I like to illustrate and give an example. So we worked with actually a big e-commerce business again, this one was in Canada. And the founder was doing 16-hour days, scatter-gunning the team with tasks. He's just getting burned out. Great, amazing visionary with amazing ideas, and that's how he started his business. He was a super creator. But he's scatter-gunning the team with tasks, and they're exhausted because by the time they focus on doing one thing, they get like, context switch, and they have to do another thing.

So he's getting exhausted, the team are getting exhausted. And as a result, he's trying to spin, like, he has these bazillion ideas, he's trying to spin 100 plates, he doesn't cook any of them. And the team have burnt out. And it was unfortunately leading to attrition, he lost a couple of good team members. And then he's also, because he's playing this game of Whac-A-Mole, he's then unable to move on some of the goals that he had.

**James:** Because he's probably uncoordinated. And I'm guessing he probably forgot sometimes who he gave what and he'd be chasing it and forgetting, like tripping over himself.

**Lloyd:** He's just running on adrenaline, like every day, like I don't know how he even...

**James:** I've worked for people like that. It's like they're impossible to please. They come down in their helicopter and just pick on the one of the 10 things that you haven't got to yet and just rag you for it. And it's like, I'm doing the first nine that you asked me to do. And they're like, Why haven't you done this?

There was this classic guy, like one of my absolute best educations I had, he's like a spreadsheet junkie. But he'd had a literal ivory tower up there in the top of the dealership looking down and like, the fishbowl. And he would just, you'd see him stand up and come and like, Oh, my God, he's coming now. And then he'd sit down, and he'd pull out the spreadsheet, and he'd go, We have all of these cars. What do you plan to do about them?

I'm like, Well, sell them? We're a motor dealership, that's what we do. He goes, Well, haven't you thought to do some marketing? I'm like, It did cross my mind. In fact, you know, we have - like, it was just like he would ask the most stupid, irritating questions that were beyond obvious. And then he's like, you know, What's your plan? I'm like, Well, I want to sell all of them.

He goes, Why do we have so many? I'll say, Well, you should speak to your business partner about that, because he's the one who went and bought them all. And he didn't ask us if we want them, or if they're any good. He just bought them all because he wanted to go out there and flex to the manufacturer. He said, Yeah, I'll take the lot. Right? So now I'm cleaning up the mess. And this guy's just giving us sh\*t about it. And I've worked for these people.

So what you're doing, Lloyd, you're getting in between the valuable employee and the maniac. Let's face it, some people listening to this are going to be maniac business - and they even know it. I coach people who say, I'm not a good leader, I have bad leadership skills. And my staff keep leaving, and I know it's me, and I know I'm not good at it. They're the people who get the most from you, the most.

**Lloyd:** Well, I'm going to defend this guy, actually, he was not a maniac. It's just he didn't know another way. Like he was just, I don't know...

**James:** Well, he's a classic guy who's really, really good at something, a natural gift, super creative, super visionary, knocking it out of the park. However, he didn't even know what he didn't know, he'd never had proper leadership training.

And also, if I recall in this situation, and obviously I get some privileged information through our own discussions, and we're never naming names or anything, but I think in that situation, this was a case where there was a familiar employee that had a little bit too much sway, and you needed that third party to come in and mitigate some of the compromise and the challenges that were occurring because of that deep association.

**Lloyd:** Yeah, he had a super toxic, bad apple in his team, who, you know, on one hand was very skilled in one particular area. And so, the founder would just indulge him and let him do more and more of that, but became super reliant on this person who could then just disappear on days on end. And then, stuff like just treat the other team members badly. As a result of indulging this one toxic team member, it came at the cost of other team members.

So anyway, we managed to make a case to move that guy out. And it was a painful decision for the founder to accept but things got better after that. And sometimes, they just need someone else to see it. But just to round that piece out, you know, the big thing in that piece was really about operational smoothness, and coming in, and putting in rhythms, and putting in, like, instead of doing like scattergun task management, it would be, let's plan what we're going to do for the next 10 days. Let's have someone plan out with your team.

We teach them how to plan. We're going to do it for five, 10 days at a time. Now let's put some dashboards and look at your marketing numbers. Let's look at your customer service numbers. Every week, let's talk with the team who looks after these different areas and find out what's red and green. Before, they weren't measuring all that in a regular way. And then let's find out how to make the campaigns better.

So it's not just getting the founder away from doing that, we've now actually got a system for making things smooth and getting the team board in, getting rid of the bad apple. And what it meant in the end is that the founder didn't manage to get some more time back, although actually, he then spent his time doing video creatives, which is his passion. But fair enough, he still wants to do his 16-hour days, he's just doing something else. [laughs]

**James:** They're always going to do that, you will never stop them. It's just making sure they're doing things that are high impact, if that's their goal, right?

**Lloyd:** Yeah, it's his passion.

And then he managed to close some retail deals, which had been delayed because he was too busy playing Whac-A-Mole. So operational smoothness was my second point.

## Fueling business growth and revenue optimization

**James:** What's your third point?

**Lloyd:** Sorry, I just had to get a mouthful of tea there.

**James:** Yeah, I waited till you took a sip before I asked you a question.



**Lloyd:** Right. [laughs] Third point is scale. So we spoke about this a bit before, but I want to make sure we've covered all three. So we talked about time, operational smoothness, scale. And I think a lot of people, the perception is that hiring someone who's going to run your operations is just a cost center. It's a necessary evil. But actually, the right operator can make you money.

The most obvious case that people will tend to generally accept is that if the founder is freed up from doing those things, but what can the founder do that's super productive and valuable, perhaps is shaking the tree for new business? What's the return on investment on that? But as we spoke about recently, actually, there's another thing, and that's what we're calling [rev ops](#).



So we can still be doing those other things. Like let's say, you've got your queen bee role, whatever that is, you know, is it selling things on your e-commerce, growing that function out? But it's quite often missed opportunities that the CRM is going to tell us about. And so, focusing on the folks on the front end. And this is super measurable stuff, like what's happening in sales, or what's happening in marketing, what's happening with the CRM?

And to give an example is, last year, we were working with a performance marketer. So think about Google ads, Facebook ads, and they're flying their team to eight global events a year. And they're collecting stacks of business cards. And these things are just never making it into a system. They're never getting handed over to delivery. There's nothing happening there.

So it's like, how can you attribute who you met at which event? How do you manage the contact deals? How do you set up an invite with someone? By the time that contact on a business card made its way through to delivery, that lead's gone cold. And then as a result of this, you can't work out what your return on investment on going to that super expensive event, which you're flying your team to, spending hundreds of thousands of dollars.

So actually, in this case, what they needed in the first place was a CRM that works on the mobile. So the simple change was installing a CRM, isn't that simple? But they've got CRM installed. And so, when they're at these events, when they're talking to someone, they just get their details right there and then. And then right there and then, they can send them a follow-up calendar invite.

And then as a result of going to those events, they've now worked out which events are profitable and which aren't. So at the end of that year, they canned going to two out of those eight events. And they had way more deals, like their best year for revenue ever. So that's just an example where you can look at your revenue, look at your CRM, look at your sales, and that's where [an operator can help make you money](#).

**James:** I love it. And it sort of leans into the previous episode. So you've given us sort of a range of what an audit might cost. And we have an indicator that you would have a fair-sized team to be needing either an operator or some kind of fractional operation service. And by fractional, I mean, not the triaging, the emergency type fraction. Talking about, you can get a part-time operator, so it's lower cost than what a fulltime one would cost if you're in that sort of middle ground or preparing for a full-time operator.

## From solo management to team efficiency

What would be the sort of indicators that someone should be talking to you? What do you look for in an ideal person for your services to help them out whether it's just an audit, or an audit with some kind of operations assistance to be either permanent or a stepping stone?

**Lloyd:** So I'll answer that generally, and then I'll answer it specific to [VirtualDOO](#).

**James:** That's so Lloyd. Give me every possible answer from multiple directions. I want it to be crystal clear. I once asked [Jay Abraham](#), why do you use so many words to describe something? He goes, Because I want it to be impossible for ambiguity.

**Lloyd:** Masterclass. So, generally speaking, if they're finding that they're a busy business owner with a team, and they're stuck in things like project management and people management, that is probably a strong indicator that they need an operator.

Now, I have found in my business that if it's a team of less than five, generally that business owner is going to try and do that themselves. So I'm not generally spending my time. I'll still get on a discovery call with those people and try and point them in the direction and help them and see.

**James:** Do you make referrals?

**Lloyd:** Yeah, if I've got someone I can refer them to, or if I can just see that where their problems might be. And it's actually not always getting an operations person. I love connecting people.

**James:** You are a good connector, it's why I suspected, you're like, you're the most helpful guy even if it, you know...

**Lloyd:** Oh, thanks, James.

**James:** Yeah, very helpful, good referrer.

**Lloyd:** So generally not teams of less than five. Five to 10 members of staff, if they've got a revenue - like and generally, they're going to be into seven figures to warrant getting a director of operations.

**James:** So a million bucks a year or more in sales.

**Lloyd:** Yeah. And generally, if they've got five to 10, they start at five to 10 members of staff, they're getting there. I generally find for me, that's the amber zone, like, quite often the founder's in denial, and they're going to still try and manage that themselves. And it's kind of fits within Jeff Bezos' two-pizza roll. It's like a team of about seven, you can manage yourself.

But the problem is there, and like I call it the amber zone. It's because that founder is yeah, they might be able to manage their team, but now they're not focusing on their goals. So that's kind of amber. If they've got a team of 10 to 30, and they don't have an operations person, if they're still trying to like run on adrenaline and run their team, that is the red zone. Like, they need help.

**James:** Snakebite. [laughs]

**Lloyd:** [laughs] They've already been bitten, they're already suffering. So that's where we would normally help. And I've found over time now that I would say, four fifths of my business are marketers, particularly performance marketers, an econ and then the other fifth remaining is like a red herring of online teams, coaches, we've got teams of coaches or things like that. So generally, online businesses with teams 10 to 30 is our sweet spot.

## **Transforming time, smoothness, and scale for business growth**

**James:** Love it. Lloyd, super helpful. So, quick recap. With operations, essentially, we could expect to pull back a bit of time, we could expect to be running things a bit smoother, we could expect to grow the business a little more as we get the pressure of doing the stuff that we may not be suited to or may not enjoy, or may not want to do.

It'd be rare that someone is just an operator, and they've hired everyone around them. It still happens, they might hire the sales, the marketing and everything else and just be operating. And that's definitely valid, but they often tend to be the number two in a business, not the number one, generally more the case and a super important role. Then they should probably be having a chat to you, especially if they're making a million bucks or more and they don't have either a full-time director of operations, or they don't have someone helping them out in that regard, and they're ready to go pro. If we like the cut of your jib, Lloyd, how do we get in touch with you?

**Lloyd:** Yeah, just email me at [lloyd@virtualdoo.com](mailto:lloyd@virtualdoo.com). Lloyd is spelled L-L-O-Y-D, or just go to [VirtualDOO.com](https://VirtualDOO.com), and you can contact me there.

**James:** VirtualDOO.com. Thank you so much. We'll catch you in a future episode.

**Lloyd:** Thanks a lot, James.

JAMES **SCHRAMKO**

**ARE YOU READY  
FOR SOME NEW  
GROWTH? LET'S  
CHAT**

