

**EPISODE 73**

[INTRODUCTION]

**[00:00:04.1] ANNOUNCER:** Welcome to the Creative Empire Podcast. Each week, Reina Pomeroy, the life and biz success coach, and Christina Scalera, the attorney for creatives, are taking you up close and personal with successful influencers in the creative community and tackling your biggest business hurdles. Their mission is to help you, creative entrepreneurs, think beyond your daily biz so you can make the brave decisions that build your Creative Empire.

[EPISODE]

**[0:00:37.6] RP:** Welcome back to another episode of Creative Empire podcast. It's me and Christina here today for another jam session, and today we are actually going to be talking about starting a brand-new business. We get questions all the time in our inboxes about how to start a business, and we wanted to make sure that we covered the basics so that you feel confident in moving forward in this new venture.

Christina's going to be walking us through; she's like, the expert at this, right? Christina, walk us through how, if somebody's starting at zero and like just decided today that she wants to start a business, how does she go about doing all of that? Give us all the details.

**[0:01:15.2] CS:** I love that you and I are talking about this, because like I feel like I'm the very like, logistical, like here is how you get the setup legally. You're like the cheerleader who is like, "Yes, you can do it! Here's how you validate ideas, here's how you price," right? This is perfect, and this is a question that you and I both get all the time. Obviously, I mean — everybody has to start from somewhere, but not everybody gets to the point where we're answering advanced questions.

It's fun to go back a little bit, and I would say the first step is just to make sure you have a business. A lot of people — you know, please feel free to jump in, a lot of people feel like they have to get everything setup, they have to get a trademark, they have to get branding, they have to like, invest all this money.

That's probably the biggest mistake that I see people make, is that they remind me of my brother, who likes to go camping. Actually, my brother likes to go to REI and like buy all the camping stuff, but he doesn't actually like to go camping. He's going to kill me if he hears me.

**[0:02:07.7] RP:** This is hysterical.

**[0:02:09.4] CS:** Yeah, he loves to go to REI and like, invest in the camping stuff. He's got like camping equipment to the nines, and it reminds me a lot of like new business owners, because they'll go out and they'll buy the branding, they'll get the website, they'll get the developer, they'll try to hire me for a trademark, and I'll politely tell them I would rather work with you after a year. I don't want to waste your money.

Instead of doing all that, I think because people are maybe scared, or they just don't know how to get started, they feel like they're doing something by keeping themselves busy. That's what they do. I think the most important thing is just to make sure you have a business, and so if that's accepting money over PayPal, if that's like, shooting your friend's wedding and they're giving you cash, whatever it might be, just make sure that there's something there before you decide to invest all this money, and maybe insurance or an LLC, which we'll get to in a second.

Just that being said, if you do have a business, maybe this isn't your first rodeo, and you're like, "Yeah, this is something I want to do, this is a blog that's going to be for profit, or I've been shooting friend's stuff for a while now, but I've never done anything formal, I really should get this stuff together so I can like, have QuickBooks online, and pay taxes, and things like that."

No worries, we got you. Today, we're going to be talking about that, and so I would say that the first step after you make sure that you have a business is to see if you should be an LLC. An easy way to tell if you should be an LLC is just to see what the requirements are in your state. If you guys need like a more in-depth resource for this, I have a whole course, but I don't think that's necessary unless you want someone to hold your hand and walk you through it, because today we're just going to give you an overview.

Deciding you need an LLC is basically, when it's appropriate, I should say, when you have a real business, when you're dealing with a lot of clients, and you're encountering some kind of liability. Whether that's a photographer who might do something where you could put a client potentially at risk. I talked to one photographer that accidentally hung — actually, she didn't, but her client hung a wedding dress from the sprinklers in the hotel room, and unfortunately it set the sprinkler off. There was like black goop that went everywhere. That's the kind of liability that we're looking to protect ourselves against.

What an LLC can do, if it's set up properly, is just separate your personal liability so that, you know, if that unfortunate situation were to happen to you, the client couldn't necessarily come after your personal assets like your house, your car, your kid's college fund, your savings account, that kind of thing. That's what an LLC can do for you, but I think where people get confused is they think that an LLC is basically like insurance.

For some people, you know, especially if you're like, in California or Illinois where it's really expensive to have an LLC, California is like \$800 a year, versus Georgia where it's \$50. Yeah, it's crazy. In states like that, where maybe you don't need an LLC yet, and you would just rather pay like a thousand dollars a year for some kind of insurance, I've heard it's even less if you go through some kind of photography organizations.

Sometimes they have like crowd-sourced insurance-type policies. You know, maybe it's just appropriate for you to be a sole proprietor, which is just basically a non-entity. It's just the given entity to you if you haven't formed anything yet, and then that way, you can have that insurance so if something does happen, maybe you are sued personally as a business owner, you know, at least the insurance is paying for your defense or whatever it might be.

Again, the LLC is really good if you just want that added layer of liability, it's also good if you decide — I don't know why we haven't had Stephanie on. Stephanie Thacker, she's my bookkeeper. It's also really great to form an LLC if you talked to an accountant or CPA, same thing, and they decide that maybe you should start filing taxes as an S corporation. That's a special tax election status that you can make after a certain amount of time, if you're making like \$50,000 plus in profit a year, or if that's like what you're taking home as your salary, it's probably a good idea to talk to an accountant if you haven't already.

Obviously, I'm not an accountant, I'm not a tax lawyer, so go make an appointment with them and talk to them about if that could potentially reduce your tax liability burden. I think those are two great reasons to have an LLC, and then, I think, finally, the last reason. The first is if you just want that added layer of protection.

The separation between your personal and business life, and then the second reason is if you want to take advantage of some of the tax benefits that might be available, and then the third reason would be if you have some kind of partner. The reason why that's important is because if you don't have an LLC, and you're just in a partnership, you're liable for all the financial and physical actions of your business partner or partners. You know, rather than be held personally liable when your business partners skips town with a \$20,000 outstanding bill somewhere, you would rather have her LLC be liable for that burden, that bill.

It's funny, because people ask, a lot of people don't know that Reina and I have our own separate companies, and then this Creative Empire podcast, this is all public information, is actually held by a company called RPCS Holdings, LLC, and that's an LLC that we both own part of so that nothing that happens within the podcast, whether — we don't have any plans to do this, but you know, if we decided to sell it one day or monetize.

Whatever we choose to do, or buy products for it, or integrate systems, or have a team for it, or anything that happens within the podcast is actually completely separate. All of the contracts that we have with any kind of software as the service company, or independent contractor, are all entered into as RPCS Holdings, LLC not Christina Scalera, LLC or Reina's LLC. You know, I think that's important to just recognize, and a lot of people probably didn't know that we actually have this third company that is both of ours, so that I'm not in Reina's coaching company and she's not in any of my companies, obviously.

Those are the three reasons I would say it's important to have an LLC. Once you've established that, maybe you just move forward as the sole proprietor, you don't need an LLC, you get your insurance. Regardless, the next step would be to get an employee identification number from the IRS. All that is...

**[0:08:30.4] RP:** Wait, Christina, I'm going to stop you for just a second. I want to ask the question of, are there any rules about, first of all, how you decide on a name before you even file for the LLC?

**[0:08:40.3] CS:** That's such a great question. Yeah, this is a big — I don't know if misnomer is the right word, but it's a big misconception that your LLC is your trademark and vice versa. That's just not true. For example, RPCS Holdings, LLC is the name of our company, but Creative Empire is what we would consider to be a trademark of the company. Any legal document, you won't see Creative Empire, you won't see our logo, you won't see anything like that, but you will see the name of our company.

Arguably, even RPCS Holdings, LLC isn't a trademark of ours, because we don't put that out there anywhere. We're not claiming it as something that we are using "in commerce" or on something for sale. Yeah, just filing your LLC or getting your business license, that doesn't have any effect on what you have as a trademark necessarily, and vice versa.

If you register something as a trademark, it doesn't automatically give you any rights as a business owner or anything like that. I think the biggest thing that people get confused about is we're really talking about three separate things here that don't have anything to do with each other. One is your LLC, right? That's filed with your state, so if you've only filed a county something, or rather, you don't have an LLC. We have the LLC at the state level, we have a business license at a county or city level, that's going to vary wildly, but wherever you are, and then we have a trademark, which can be at a state or a federal level.

All of those things don't have anything to do with — like, none of those three things are interrelated at all. They might overlap, like your LLC, They might be your trademark, but it doesn't necessarily have to be, like in our case. So don't just assume that you have rights to use a name, or that if your LLC name is taken that you can't have that as a trademark.

I think that's just something to keep in mind, I don't want to get like too in-depth and go too crazy, but yeah, that's a really good question. So the three are not interrelated necessarily.

**[0:10:40.9] RP:** Yeah, say for instance, I'm just starting my business, and I decide that I want to name it Reina, and Reina's Coaching Service. What would I do? Should I go to Google and find the domain, and buy that domain, and claim it as mine, and then go and file for my LLC, and say it's Reina's Coaching Company, and move from there? What would be like the actual steps that you should take?

**[0:11:12.6] CS:** Yeah, anytime I start a company, I always go and like see what else is out there, right? Because you don't want to spend any kind of time or money looking into something that's already been done, or you know, like Disney owns the trademark, or they have a movie coming out next month with your name.

Just doing like a peripheral Google search, just kind of like doing your due diligence, looking on Facebook, if you're an Etsy seller, looking on Etsy, looking in a relevant places where your name might pop up or where you plan on using it. You know, are the handles available, that kind of thing, those are all good indicators as to whether that business name is going to be available for you.

Then once I have a good idea that this is something that I can do, I would go ahead and register whatever LLC name you want. You could name it, you know, Like Mr. McGoo's, LLC, and then call your calligraphy business, Beautiful Persimmon's Calligraphy. It doesn't really matter. You go and get your LLC if that's something you want to do, or alternatively you don't get an LLC, but maybe you just get some insurance, or maybe you don't either.

Either way, at that point, you would go and get an EIN, and that's when you would get the tax ID letters. It's the same thing. It's an employee identification number is what I'm talking about, and then with the EIN and the LLC, or just the EIN if you don't have the LLC, you could go to the bank and setup a separate business banking account and that is like so crucial.

I don't understand why anybody — if you're out there cringing as I say this, it's okay, I forgive you. Go do this. You know, I don't understand why anybody would have their personal and business expenses intermingle. The only thing I can see is like, sometimes I pay for things out of my personal account because I just — like that's the credit card I have on me or whatever.

That's fine. I just reimburse myself, like no big deal. Where it becomes a problem is when you're using your business account for personal items. So if you go to Costco and you're buying groceries for your family with your business checking account, because that's the only one that has money in it. That's when if somebody were to challenge the status of your company like as an LLC, that's when you would basically have no LLC there.

There would be no protection for you. It's really important to keep those things separate, just from a liability standard, but also because, practically, it's such a nightmare to try to parse those things out, and you might have the best of intentions, but just why make things harder on yourself when they have to be.

Then from there — now, you have your LLC or not, and now you have your EIN, no matter what, you have your business bank account, great. Maybe your debit card, your credit cards for your business. Now you can get insurance, or not, and then you can also pay yourself now that you have this account set up. This was a question that I had for myself when I went into business, because you know, I was used to getting paychecks from where I worked, and that was easy. Like you just cash it in, or it's direct deposit, or whatever and it was like, "How do I pay myself? I don't want to get in trouble and do the wrong thing."

It really is as simple as either setting up a direct deposit or writing yourself a check. I mean, that's like the answer that I probably searched on the internet for like, four hours, and I'm really embarrassed to admit that, but...

**[0:14:16.7] RP:** Me too. I didn't know what I was supposed to do. I'm glad that we're talking about this. There's so much like misinformation, or like, just cloudiness in this, and like you said, you don't want to buy Costco groceries on your business credit card, but as soon as you transfer that money, that's your personal finances. That's your personal money. Keeping those two separate is such a good point, Christina.

**[0:14:38.9] CS:** Yeah, you know, for a while, I just did it via check, and I mean, I'm ashamed to admit it, but I'm just now switching over to direct deposit, because it was just easy to put in a memo line, payroll for January, and you might not have payroll if you're not an S Corporation

yet. You might just write like, paycheck for January, or pay check for February, whatever month that is, right?

That's a really easy way to just keep track of everything. You can go back in your bank account, everybody keeps an electronic record of it, and you can just see like when you were paid and for how much, and that's going to help you when you go to file at your taxes later.

**[0:15:11.8] RP:** Yeah, totally. Last February I did a “pay yourself” vlog series with Navica Vazquez, and we asked a bunch of different business owners how they pay themselves, and how they invest in their businesses as well. I learned so much from all of them about what they did. If you're interested in that, it's on [Reinaandco.com](http://Reinaandco.com). Go to the blog and find that, but I think we can link that in the show notes.

**[0:15:32.8] CS:** We'll put that in the show notes, I was going to say.

**[0:15:35.1] RP:** Yeah, what's next?

**[0:15:35.3] CS:** Boring stuff is like out of the way. I think we belabored that, and you guys got through it, all 16 minutes of it. I think we should talk about the really fun stuff, you know? Like how do you — okay, maybe you have like a rough business idea, you shot a friend's wedding, you did like some calligraphy for fun, and somebody paid you five dollars for it, or whatever. Now you really want to do this as a living. How do you actually set this up, and how do you get the courage to basically hang out your own shingle and open up shop?

**[0:16:03.3] RP:** I think it's so much easier now than it probably was any other time, like previously, because you can literally set your business up and then start earning money in the same day. With the advent of all of our internet technologies, we really have access to all kinds of people we didn't have access to before.

Like you said, you can be a second shooter for a wedding and earn money immediately, or you can really sit down and think about your business from the inside out. Different things. Christina and I have different theories. I'm excited to just chat through this, but some people talk about



business planning and get freaked out by the idea. Christina, how do you feel about business plans?

**[0:16:44.9] CS:** Oh my gosh, I used to hate them, and now I love it. I seriously have a revenue planner that I gave to all of my one-on-one consulting clients. I do it every single day, I look at it, there's not a day that goes by that I don't do it and update it, because I'm not a numbers person. Joe is an engineer, and he jokes with me all the time. He's like, "You're so bad at math," and I am.

I'm pulling out a calculator to multiply like, 80 times two or something. Embarrassing, I know. Anyway, I'm not a numbers person. I'm really bad at math, and self-admittedly, and I cannot go a day without looking at my bank accounts and looking at my revenue now. I love it. I love it because I can look and see, "Okay, wow, I didn't hit that goal for this week or this month. I need to do some adjusting and look at it for next month."

Maybe that's a little more advanced than like, the business planning we're talking about here, but I would like to encourage you guys to get the story that you're bad at math out of your head and just kind of like practice.

It really is a practice, you know? You're not automatically good at finance, you just have to practice it. Like weight loss, like any kind of life skill, or even like calligraphy or photography. It's practice.

Yeah, I love business planning, and I think the more that you can do, the better, but as long as you're not getting like, consumed by it. Just pick something and move forward with it. If it doesn't work, you shift and you pivot.

**[0:18:09.3] RP:** Yeah, I think the best place to start is to write down an activity for which you can get paid money, or a service, or a product, if you're a product-based business. Say for instance you're making mugs, and you have three different types of mugs that you can offer. Mug number one would be line number one. Mug number two would be line number two and so on, so forth. How many do you want to sell this week? Maybe it's one per week for the first month or so, and

then you increase it, and by the time Christmas comes around and you know that the holiday rush is picking up, you know you're going to be able to sell more.

I think that it really doesn't have to be as complicated as people make it out to be. It could just be, "How is it that I'm going to earn money this week, and what is the goal for how much I want to earn?" Set your sights pretty low for the beginning, because you're probably going to have to invest more than you earn at the beginning. That will turn around pretty quickly as long as you're being consistent about it.

**[0:19:04.8] CS:** Yeah, what about the chicken or the egg problem? You're nodding, because you know what I'm talking about here is like, you know, you need visibility to have sales, but then you need sales to have a business. Do you work on becoming visible and then sell something, or do you work on trying to sell something, and then you don't have any clients because you're not visible?

There's like, this whole problem of the visibility chicken or the sales egg.

**[0:19:31.2] RP:** I love that. I think that it's not as like, extreme as we make it out to be. You have to make teeny-tiny steps and progress, and I think we often look way too far ahead. Don't compare yourself to where Christina and I are now. Not that we don't have further to go, right?

We always compare ourselves to people who are like 25 steps ahead when we should be looking at somebody who is maybe one or two steps ahead of us. When we do look at somebody who is right in front of us, we know that we're not looking to fill our whole calendars with clients, we're just looking to get the first clients, or sell the first five sales, rather than having 500 reviews. I think setting goals that are realistic for the season that you're in is really important. Does that answer your question?

**[0:20:16.1] CS:** Yeah, for sure. I think services are a great way to get into this, too. You know, even with the internet. I was listening to another podcast – I listen to podcasts all the time, surprise, surprise. I was listening to another podcast today that basically had like a... I don't know what you would want to call it, but some kind of help to get you started, and essentially the whole gist of it, I'll boil it down to five seconds was "do a free workshop."

Get that out into the channels where you can have accessibility and visibility. You know, join a group like [unintelligible], or even our podcast has a little group, so those groups are really great to jump in there and just start to make some friends, and those friends will notice your business, and they may be doing this for like three months longer than you are, and they're happy to let you guest blog, or join your webinar.

I think interviews are a great way to do this, too. Guest blogging or interviews is a great way to just kind of like, conquer the visibility monster, and so when you're first getting started, the mistake that I made was, in my old business where I thought I wanted to be a yoga teacher or whatever. That's a long story, and if you really want to listen to it, we'll link to something in the show notes.

I went into detail about it on Steph Crowder's new podcast, called *Courage and Clarity*, in episode three. Long story short, I basically thought I was going to like, immediately come out of the gate this excellent writer. I'm going to go like a pitch to *Huffington Post* and *Entrepreneur*, and it's going to just happen immediately. That is not how it works, right? I had to guest post for people that, not to be mean, but like kind of had no name blogs, or like blogs that shortly went under, or whatever.

That was such a big help though, because as long as you're published somewhere, you can use it as a stepping stone up to the next level of visibility. Maybe you and your friends kind of trade guest posts, and then whenever you pitch to the next place you say, "As featured in" — you like rock the heck out of it, right? You're super excited to be on this blog that has 50 page views a month. That's how you use that to get to the next place, and it's just a lot of hustle.

How did you do it, Reina? Because you became very visible very quickly, and so like what are some things that people might do to increase their visibility? You even had a business before you had a website, which is so cool. Could you walk us through what that looked like?

[BREAK]

**[0:22:36.8] CS:** How would it feel if someone laid out a business plan, a road map, or some kind of strategy that would get you started and get you closer to the goals that you dream of accomplishing in your business? Well, Reina and I actually have done this. All you have to do to get this totally free resource is head to [creativeempire.co](http://creativeempire.co) and click on free workbook. We will deliver to you 50 of our most potent, powerful strategies and proven tactics to getting our businesses visible, booked, and profitable.

If you would like to have this in your business for totally free, you can grab that at [creativeempire.co](http://creativeempire.co). We'll see you there.

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**[0:23:20.9] RP:** My business started as a test, and I had a couple of clients who paid me, who actually paid me money before I even had an LLC and or a business name, and so I wanted to test the concept of what would it be like to be a coach for pay? We could talk a little bit more about pre-validation, and testing, and all of that, because I think that step is really incredibly important, but I think also making friends straight out of the gate was probably the biggest thing that I did in my business that helped.

Like you just said, getting featured on other people's blogs, or becoming the person that people tagged, and I don't know, being an expert at something that I wanted to own was, I mean, it's scary as heck, but also very effective.

**[0:24:08.6] CS:** Yeah, what were some things that you did to increase your expertise, because sometimes people just kind of go out there swinging, and they try to be everything to everyone, and I'm not sure that's the best way to become an expert at any one thing. So I'm wondering — I remember your first, how we got introduced, about a year ago at this point, was you did a webinar for the Rising Tide Society about finding your niche.

You really did a great job at — well, not just the presentation, but also, you know, making yourself an expert at that. Can you talk to us a little bit about what it looks like to, I guess, when you're just starting out, it's really hard, because you're like, "I'm good at this, I'm good at this." I was like, "I want to do calligraphy, I want to do photography, I want to do this, I want to do that."

Because those are just like fun things to me, and I could do them, but I had to choose, because you know, I'm standing here today, I don't have a photography business or a calligraphy business.

How did you decide to choose, and then how did you decide, and what did you do to become an expert in that field?

**[0:25:11.1] RP:** Okay, that's a bunch of questions that I hope I can answer. First thing's first. I think the first step is to choose. A lot of creatives are multi-passionate, multi-talented, and you probably could build 500 businesses. Honestly, if your attention is divided, you're never going to be good at anything. You're going to be good at like a couple of things here and there, but you're never going to be known for one thing.

I think it's easiest if you get known for one specific thing, and then you can branch out to all the other things once people get to know you, they know that you're an expert at something, and you know, can come find you for other things. Whereas, I think a lot of people see somebody who is really good at something, who has like you know, different branches of their business and say, "I want to do all that."

They didn't start that way, but you know, we see the end product, and therefore we want that thing. If you're just starting, I want you to really focus on one specific thing. It is scary as heck to niche down, it is scary as heck to say, this is like claiming your territory, because we feel like we're shutting out clients. Christina and I have talked about this topic so many times, so many episodes. I think it's really incredibly important to pick the thing, at least to start, and take and tweak that, and figure out what's next and test the next thing out.

**[0:26:26.6] CS:** Yeah, nobody stay static. My copywriter is now my editor, and you know, she's like, Lean Six Sigma trained which if you don't know what that is, I didn't either for a long time, it's basically like this thing in the corporate world that helps people be more efficient. It's like a big deal over there. Some of you listening are probably like laughing and nodding your heads, and other...

**[0:26:46.0] RP:** That's my husband.

**[0:26:47.3] CS:** Gosh, okay, yeah. I had no idea what it even was until, I think you mentioned it at one point Reina, but anyway, she was like wildly under-employed, you know? She is a copywriter, and she writes brilliant blog posts for me, but she also is a fantastic editor and obviously, could do things much better to that skill level. So it's funny because she started out, she had a baby, and she was getting back into the online thing, and I think I even found her in our podcast group.

By the way, I always go there first, so if you're looking for jobs or gigs or whatever, that's the best place ever, because I'm always looking for people in there.

Anyway, so she starts out as a copywriter, right? And then she shows me her ability very quickly, and I immediately trusted her to take on even more of a responsibility or role in my organization, and so that was how she grew. Now it's my understanding that she's branching out, and because she has established her roots as an expert about content management, she established it as a copywriter and now she's an expert content manager.

That's a great way, that she was able to use all of the things that she likes to do, and all of her gifts and talents and education in a way that's more fitting for who she is, even though she had to start out at something that was less than desirable, but obviously, very relatable. We all know what a copywriter is. We might not know what a content manager is though, so I think, for me then it was like, okay everybody knows what an attorney is, but not everybody knows what a business consultant is.

And so I have always liked business stuff, and in 2017, I'm taking more on a business role, and it's shifted. I think even for Reina, it has shifted as you've gone through partnerships and things like that. What did it used to look like, and where do you see yourself heading with Reina & Co?

**[0:28:38.3] RP:** I think that the trajectory of my business is always the same, that I want to empower women to have better businesses and lives, and that's never changing. The mission has never changed, so I'm glad that I did that inner work at the very beginning to decide that that was the trajectory. The tactic, the strategy between has really shifted and changed, and the way that I run programs, and the way that I serve clients is different.

But yeah, I think that once you set your sites on the values of your business, the direction that you're going, even if you know that you're just going to point yourself towards New York versus pointing yourself towards San Francisco, those are two different directions, and I think that's one of the main things that I think that entrepreneurs at the beginning forget to do, because they're so interested in making money, which is important. Money is important.

There's no question about that, but I think that so many people, two or three years into their businesses look up and they're like, "I've made money, but I don't like my business," and I don't think that I will get to that point, because at every point of the growing journey, I'm assessing whether I'm still in line with the big purpose that I have to my business, and how I want to feel in my life as well. That's what I really want to encourage my clients to also have.

To feel empowered by their decisions, to make really good business decisions, as well as life decisions, and that's the kind of work that I want to continue to do, and I hope that the podcast is an extension of that work.

**[0:30:07.1] CS:** Yeah, that's why you hire a coach. That's why exactly, I'm not trying to blow you up or anything. People accuse us like, "Hey, you like Reina too much. You promote her." It's like, "Yeah, well I mean this is our platform, and she's my partner for a reason," so shameless self-promotional alert, but not really. Yeah, I think that's why you hire a coach, right? You had a great post the other day about the difference between a coach and a consultant.

A consultant is there for you when you already know the direction that you want to go in, but a lot of people, I would say most people aren't there yet. They don't know what direction they want to go in, and correct me if I'm wrong, but I think that's what the coach is so valuable for. It's to help you figure out what your mission is, to help you figure out what's really important. It's like the book *Essentialism*, so you're not focusing on 12 different things at the same time. You are just focusing on one, so yeah I mean...

**[0:30:56.7] RP:** It's such a good book, by the way.

**[0:30:57.6] CS:** Yeah, we started out talking about how to start a business, and now we're talking about I don't even know, how your business evolves and grows, but I think for us, it's like okay, you start a business, all you really need is an exchange of money for services or an exchange of money for a product at the very basic level of having a business, and then we just layer on all of this crap. You don't need an email list, you don't need Instagram, you don't need any of that.

I know we're both fans of Tara Gentile and her whole Quiet Power Strategy is about cutting out the crap and figuring out, "Okay, I need to make a \$100 today," or "I need to make a \$100 this week, how do I do that?" and maybe some of that is visibility stuff, where you're on Instagram, or you're pinning like crazy, or whatever, but just because everybody else is doing it, it doesn't necessarily mean that you have to do it, too. I don't know how I got off on this tangent but.

**[0:31:52.3] RP:** No, I love it, and I think that going back to the concept we just started, we glanced over it, but testing your idea is another important way that you can make sure that you are staying focused in your business.

**[0:32:05.0] CS:** Yes, there. Leave it to the coach to get us focused, right?

**[0:32:08.9] RP:** No, but I think your idea is absolutely spot on. That like these things like social media, visibility, all these things are tactics to the way that we can possibly get clients, but that's not actually getting the clients. How do you actually bring them on board, especially for a product, even product or service-based business, we have to pre-validate. Let me back up really quickly, have you ever experienced, if you were a couple of months into your business, or maybe if you're brand new in your business, you're probably freaking out about this.

You're like, "Okay, I have this thing that I want to put out into the world, but I'm terrified because what if nobody buys it?" I definitely experienced that at the beginning. Christina, did you go through that period?

**[0:32:52.1] CS:** Yes and no, because I was pre-validating before I started my business. I remember having the distinct conversation, actually it was at a Tuesdays Together meeting, and basically, I came there, I was a yoga teacher, but then I ousted myself as an attorney and it was



October of 2015. Basically, they all were in such dire need of any kind of legal resource. There was so much misinformation being communicated, and they just wanted to know something.

And so when I had conversations with them there at that meeting, and this had been adding up. This was like a culmination, but this is when I realized that there needs to be a solution, and I just figured out what that solution was. I think you can validate an idea in a couple of different ways. One, I would never create something without validating it first. I would never go out and produce 100 mugs and not know if that design is going to sell, because I think that's just a huge waste of time and money.

That's how a lot of businesses fail very quickly, and you won't make that mistake again, though. That's the good news, once you do that one you won't do that again, and then the smarter or more efficient way to validate an idea is to see what are people constantly asking me for, or where do I see a huge gap. If there's a huge gap for funny mugs, all these mugs are cute and beautiful, but everybody wants a funny mug, and they don't want the cheesy ones that they sell at souvenir shops, maybe that's the gap that you fill.

Or if that's something that you have as a hypothesis, maybe you go out there and you actually test it. Maybe you sell it as a digital print, and you just see which digital print sells the best without actually having to ship anything. So I love the idea of pre-validating it in that way and I do this all the time with courses. I give people a special price to buy a course that I have no idea if I'm going to produce or not. If it doesn't sell, I'm not going to produce it.

I will just give them a refund, and to date, fortunately, that doesn't happen, but the reason I do that is because one time, I created a course from start to finish. I thought it was going to be a great idea. I had clients who asked me for it, and it turns out, the course wasn't a great idea. It didn't sell very well to the general public. It was only something that this very, very select group of two clients needed, and so that was a huge waste of time for me to go out there and create a whole course from start to finish.

Without launching it publicly and allowing the public to say, "Yes, I want in, even though it's not created, I will give you a month to create it." If you guys go back and listen to Ashley Lurcott's episode, she did the same thing with the Modern Calligraphy Summit. She got everybody on

board, but there was no content that was actually created yet. She just had this idea that this would be something that maybe a couple of people would want and she could make some money off of it, and it ended up being a huge phenomenon. So her episode, I don't know what episode off the top of my head, but if you go in the show notes, you can go back and see which episode that was, or just search for Ashley Lurcott.

But you did the same thing. A similar thing, I've seen you, Reina, test this with different collaborations and partnerships and joint ventures that I've seen you do. So can you talk a little bit about how you validate products or services in your business?

**[0:35:52.7] RP:** Yeah, for sure. So one of the first things that I've ever did for my coaching clients at the beginning was asking them to tell me what they were struggling with so that I can figure out how to speak more clearly about my services in general. It wasn't even a course. It was literally like, "How do I explain to you what I do," and ask me questions about what do I do, because coaching is a concept that people aren't super familiar with.

So I just said, "Tell me what your questions are. How can I answer them? Let me sharpen my saw by practicing on you," and that was the best pre-validation I've ever done, because I am literally using people's words, and when I say my elevator pitch, I know that it works, because people have said these words to me. So even though that's not really selling my services quite yet, it's really a matter of, "How do I get confident in telling people what I do so that people will call me and say, 'Hey, I do want to work with you.'"

**[0:36:52.7] CS:** Yeah, that's so good. I'm so glad you mentioned that. So one of the things that I did, and I know I've said this on other episodes, but you guys can do the same thing. I would go into Facebook groups, and there's actually a search feature and it's up in the upper right-hand corner of Facebook above "add a member" or whatever, and I would go in and I would just search keywords that I thought I might want to blog about, and I would see what questions people had.

It's like, a fly on the wall without overly saying, "Hey, what's going on?" and getting spammed or something with a million answers, but I think that's so important. What you said is so key, you ask them what they're struggling with, you ask them to put it into their own words, because then

when you go to sell something to them, or you go to offer them a service, you're mirroring that. It's a language that they're familiar with. They don't have to make any assumptions or they don't have to jump to any conclusions, because you have already just handed everything to them on a silver platter.

**[0:37:46.4] RP:** Yeah, thanks. I think that people, we want to hear what comes out in our own mouths, and for somebody to actually express that they heard you is such a huge relief as a consumer, and so just use that psychology of mirroring, of showing people what exactly they said and show it back to them and say, "I understand you. This is why I created this." It's going to be so much more valuable to spend your time that way rather than creating something that you think is going to work. So start there.

**[0:38:17.5] CS:** I love this.

**[0:38:17.9] RP:** You're laughing.

**[0:38:18.5] CS:** No, we just have such different perspective. I'm always like, "What's happening?" and you are so good at breaking things down and calmly saying, "Yeah, it feels good to be listened to and be heard," and I just love it. You're exactly right.

**[0:38:32.0] RP:** Well, I think that there's a lot to be said too for the way that you show up in your business. If you're a Nervous Nellie no one is going to hire you. So when you can be confident in how you're showing up for people, and showing up is such a coach word. So excuse my coachy words, but I think when you are in business and you have this online presence, or in-person sales presence, being confident is such an important part of the game. Can we talk mindset for a little bit?

**[0:39:04.0] CS:** Yeah, sure.

**[0:39:05.1] RP:** Let's talk confidence, mindset, whatever you want to talk about there.

**[0:39:08.7] CS:** Yeah, I remember when I was in college, we had a law school fair or something. It was like, 20 law schools came. I went to undergrad at Texas, so there was 20 or 30 law

schools that came, and they set up their little tables, and you went there, and me being who I was at the time, I was really nervous. If you guys don't know my whole story, basically I am incredibly introverted. I used to be very, very shy, and now I actually really enjoy public speaking.

So, again, mindset shift. Telling myself stories that I wasn't good at something and then finally realizing it's just a story, but long story short, we had this law school day at college, and I'm checking it out, and I think I'm going to get a leg up on admissions if I suck up to these people or whatever. Not true at all. They're just admins or whatever, paper pushers at the schools, but when I was 19 or 20, or however old I was at that time, it was so cool.

But I knew that — and this is going to sound whatever, but I knew that I was really shy and I was not very confident. So I actually went and got my hair done. I got an up-do, and it looked great actually. It was probably the best that my hair has ever looked, and I remember, I was listening to some song along the way as I drove over and parked in the parking garage. It was some rock song about faking it or something, but it was so funny, because I was like, "I'm going to go in there. I'm going to fake it, I'm going to be super confident and awesome, and it's going to be a great day," and you know what?

It was. I felt like such a fraud and impostor the whole time, and I'm sure they just thought I was this crazy girl with this weird up-do, but it was a great day, and it just taught me that you can just change your mindset, even if it's something that you have to do proactively like go get your hair done. I'm not saying go do that, but maybe you just tell yourself, "You know what? It doesn't matter. I'm just going to be confident no matter what, and I'm just going to go in there and have a good time at something."

So I think mindset is such a huge thing, but I'm not professionally trained on mindset. So I would love to hear your perspective on this before we wrap up today, Reina.

**[0:41:08.2] RP:** Yeah. I wouldn't consider myself a mindset coach by any means, but I think it's just something that we deal with as entrepreneurs in general, that fear is a huge part of the way that we do or don't do business. If you have a fear of even putting yourself out there, or you have a fear of asking for the sale, or saying that your service is a \$1,000, but then you give

them a discount because you're scared that they're not going to say yes, all of those things play into how we run businesses.

I think that at every point, you have to find some way to be confident. So at the beginning, just to be really frank with everyone, that at the very beginning I charged less than a \$100 for a coaching package, and it was because I didn't feel qualified. Even though I had a Master's degree in talking to people, I didn't feel like I was qualified to help the people that signed up. As time went on, we've talked about this, I think it was in episode 16 when we talked about pricing, that I call it the stairway method.

I had to grow in confidence, knowing that I could bring some kind of value to my clients in order to get over each hump, and you're not going to get to step 25 right now in your mindset. I am going through stuff, just as we're speaking now, and I was going through stuff probably six months ago, and I think every single business owner deals with — whether it's money mindset issues, confidence issues, just having some kind of thing, obstacle, mindset thing in our way that tried to keep us from achieving the next level of success. Because we've never achieved it and it feels a little bit scary.

So I think it's the best thing to just continue to move forward. If it's scaring you and it feels a little bit exciting, you're going the right direction, so keep going. Don't look around and like look at the people who have thousands and thousands of followers on Instagram, and say, "I can never get there." That's not your competition, and why should it be, right?

**[0:43:11.2] CS:** Yeah, it's so funny, I just want to hold everybody and be like, it gets — you get whatever you want to work for, but it's kind of true you know? I remember having 70 followers on Instagram, and looking at people that had 500 and I was like — you know what? Now I don't even know how many I have, because I don't care. It doesn't matter, right? It all goes back to what you were talking about earlier, where you get focused, and for me, that's just not somewhere that I focus. All it is for me is a visibility platform, but it doesn't affect my bottom line at all.

It's funny because, the things that you think are a really big deal today are going to shift and they're going to change, and you know, the things that you might take for granted one day, I

don't know how to wrap this all up, but I would definitely say something to the effect of like, meet yourself where you're at. If you don't know, if you're having like a lot of doubts, or if you feel like you can't do it on your own, then find a way to hire somebody like Reina as a coach .

Just somebody that can see outside of what's going on, because sometimes we're just like, too varied in the muck as a business owner to figure out that like, you don't actually really like being on social media. Maybe we shouldn't be a social media coordinator, maybe that shouldn't be our career, maybe we should be like a calligrapher instead. You know, sometimes it's good to have somebody to talk you off those ledges and to figure out where you really belong and what's good for you.

**[0:44:27.8] RP:** Yeah, I think another — if I had to give a quick pep talk, it would be like, start where you are and decide. Stop messing around, and if you are going to be in business, be in business. You can't have one foot out the door. I think that that's something that a lot of business owners do, because they're not quite sure that they're going to make it.

If that's the gamble that you're taking, you're not going to make it. I'm not trying to be like, I don't know if that's pessimistic, but I feel that so many people want it to succeed, but then they're not 100% in the game. I don't mean like you have to have a 100% of your time in the game, because you might have a full-time job, but when you're in your business, be all there. Take that gamble.

**[0:45:08.9] CS:** Yeah, 100% agree. I don't have anything to add to that.

**[0:45:12.4] RP:** Well, thanks so much for listening to another episode, and one of our favorite things to do. We love jamming, so we hope that you're enjoying these episodes and go and rate and review this episode if you can on iTunes.

**[0:45:24.8] CS:** Yeah, let us know if you like it, you know? If you like this, we will provide more of these opportunities for you to listen. This is something that we produce it for you, we don't produce it for ourselves to listen to over and over. We love reading your reviews, and we really do read them, that's not something we delegate. You let us know what you want to hear us talk

about, or who you want to hear on the show, and we will try to make that happen. Get out there and go build your creative empire today. Bye guys.

[END OF INTERVIEW]

**[00:45:53.0] ANNOUNCER:** Are you ready to build your own empire? For more information, show notes, downloads, and tips on how to do it, head to [www.creativeempire.co](http://www.creativeempire.co), where you can find out more about this week's episode and the two lovely ladies behind it all, encouraging you to build your own creative empire.

If you enjoyed this week's show, it would mean so much to Reina and Christina if you could take two minutes to go to iTunes and leave a review. It's a little thing that makes a big difference for the show.

[END]