



How to Become an Entrepreneur

Guest: Chris Guillebeau

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Chris Guillebeau is the author of [The \\$100 Startup: Reinvent the Way You Make a Living, Do What You Love, and Create a New Future.](#)

WOODS: This is such a great book. I absolutely love *The \$100 Startup*. I love this book because, as I was just saying to you before we started talking, this is the type of genre in which you're likely to get a lot of platitudes about getting up in the morning and following your dreams and don't quit. But this is actually specific advice that comes from your distillation of the experiences of real people.

GUILLEBEAU: Yes, well, thank you for saying that. The goal is definitely to be specific. I didn't want, first of all, to write a book that says follow your dreams and don't quit because sometimes it's good to quit and not every dream should be followed, right? So the whole goal is to be very specific and tell people: here's how lots of people had this experience. Here's how they created freedom and independence for themselves through entrepreneurship and a small business. And not everything went super-great along the way; they usually make some mistakes and had some failures. That's okay, too. But here's basically the whole story, pros and cons, the good things/bad things, exactly as it develops.

WOODS: So you went and talked to a huge number of people who had what in common?

GUILLEBEAU: Yes, I did, and I should say first that a lot of *\$100 Startup* comes from my own experience as well. I've always been an entrepreneur. I've always worked for myself. I was never a good employee. So that was my initial motivation: how can I kind of strike out on my own? That's what I've been doing for 15 years in different ways. But I also didn't want to just write a book from my own experience. So I went out and we did this comprehensive research study with about 1,500 people from all over the world. As you mentioned, they had to provide some really specific information. They had all started a business by spending \$100, or sometimes a few hundred dollars, but not very much money, and they all had to talk about exactly how much it cost and how much they made along the way and how they did it. So that's kind of what they had in common. A really diverse group of people: all different backgrounds and ages, lots of men and women from different countries, different kinds of businesses. But I

guess what united them was they had created freedom for themselves through entrepreneurship, without going into debt, without going to business school, without writing a 70-page business plan that no one reads, all that kind of stuff. That's what they had in common.

WOODS: The link that you want to try to make is between something that moves you, that you're passionate about, and yet also that the general public wants. I think sometimes businessmen make the mistake of trying to force on the public what they, the businessmen, want to be producing instead of thinking about what people want. And that's even true, I think, sometimes when they're marketing a product that the public does want. They market the product by telling people all about the features of the product, and they neglect the old adage, "Don't tell me about your lawn-mowing service. Tell me about my lawn."

GUILLEBEAU: That's a great adage. I like that. That's basically benefits versus features. Tell me how it's going to change my life. That's what matters. What you alluded to, that principle, I use the word convergence in the book. What I am interested in doing is helping find this convergence between something that they really do like to do that they love or that they are skilled in. I do believe everyone is an expert at something, and sometimes that thing has nothing to do with what you went to college for or even what you've been doing in a career for the last few years, or the last lot of years. But the link between that thing and then what other people value. And I think you also mentioned, people don't always know what they want, and sometimes if you go and ask people, they might not necessarily say, yes, this is the thing that I want, or maybe I want something, but I'm not necessarily willing to pay for it. And so that is the whole link, that is kind of the magic formula of figuring out how can we find that convergence point. And I like seeing how different people have done that in different ways.

WOODS: You have a list of action points in the book where you say, first decide upon your product or service, then do the following things. But I bet some readers would get to that and say, well, that's 95% of the problem, isn't it? How do I figure out what my product or service is?

GUILLEBEAU: Of course, of course. I think it's helpful maybe even before you figure out what the product or service is—that's almost a packaging decision—I like to think first about needs. Think about needs. What does the world need? Or if that sounds too heavy or big or something, again let's think about something that you're skilled in, and if people have trouble with that, something that's helpful is to think about the questions that people ask you. I think most of us will find that there's probably some topic or there's some specific thing that our friends, or our family, or our colleagues often ask us about, and if we pay attention to that, that will show us that one, we are an authority in this area, and then two, there's actually a desire for this kind of information or knowledge or whatever it is. This might sound a little bit too high level, so let me give you a practical example.

There's this guy Gary Leff in Arlington, Virginia, who had a full-time job. I think he was a finance executive or something. But he always loved to travel. He and his wife went all over the world in first class and business class using their miles, and he was really good at putting his miles to

use and figuring out how the airlines worked. And his friends and colleagues always asked him, hey, Gary, tell us how you did this, and he helped them for years just for free, just as you do for a friend. And then finally someone said, why don't you turn this into a service? Why don't you actually book people's award tickets for them because there's a lot of people that have frequent flyer miles but don't know how to use them. So long story short, he put up a very, very simple web page. He wasn't a designer or a developer. He just put a simple website saying, I will help you do this. If you have miles, and you want to go somewhere and have a great vacation, but you don't want to mess with calling an airline, or you don't know how to figure it out, I will do it for you—only \$150 for the first ticket then \$100 for the extra ticket, etc. This small business took about an hour a day, and it became a \$100,000-a-year business the first year that he did it. So again, it sounds kind of random. You think, well, frequent flyer miles, but he was good at that. People asked him, and that's how he developed the business. And the book is full of stories like that, of people who figured out: there is this connection between my thing and other people's things, and here's how I'm going to do it.

WOODS: Somebody told me the other day—this isn't directly related, but just something where you hear the idea and say doggone it, I can't believe it was that simple. I never had that idea. In some ways that's what separates an entrepreneur from a non-entrepreneur, I suppose. But there are websites that you can go to try to find coupon codes for different retailers, and people I think never wonder where do these sites earn their money? They earn their money from referral accounts, because every time you click on that coupon code they are getting a kickback from your purchase. There is so much potential brilliance out there on the Internet alone to be exploited.

One interesting thing that I've found is that once you get people to like whatever your service is, or they like you, or they like what you produce, the way forward is not always necessarily to focus your resources on increasing your reach and increasing your audience. You do want to do those things, but you've got that sliver of people who will pretty much buy anything you produce, and they will gladly hand over their money to buy anything you produce, so you want to upsell to those particular people and not necessarily try to sell a new pair of shoes to everybody on planet Earth.

GUILLEBEAU: Right, absolutely, and I think that relates to kind of a "true fans" model or just a model of building a platform not in the sense of scale or scope, as you said, like always more and more people, but just building deeper relationships with people, just being reliable, and providing a great service. I talk to lots of folks who built these very successful businesses. Again, I forgot to mention this before, but every business in this study, to be part of it had to make at least \$50,000 a year. Many of them were \$100,000 a year. A lot of them were multiple six figures. But even \$50,000 a year—that's the average income in America, and some of these are part-time projects. A lot of these got started in just a few months or less. So I guess I do believe that there are just so many opportunities and possibilities out there, and I'm just interested in shining a spotlight on them and saying, go and do this.

And for me the other beauty of the model is not to sell the book. It had nothing to do with the book. It's just the model of the Internet as you mentioned is that risk is low. You don't have to expend a lot of capital or even expend a lot of time when you're just trying things, and it's okay to experiment. I mentioned he didn't know how to build a website, but it didn't matter. He had a friend who did it, and he paid them a few hundred bucks or something. It's easy to get started. And I believe the upside is so, so much. It is so great. If it doesn't work out for you, that's okay. Maybe you try something else. You haven't lost a lot. But what if it did work out? I bet some of your listeners are in this position where they would like to have more freedom and independence for their own lives. Think about that. What if it did work out? What if you tried one of these things? And think about the power that would have to transform your life and for your family. I feel like an evangelist for the whole concept because I believe in it so much.

WOODS: The book is full of practical ideas—things that, even though I have been involved in this way of thinking for some time, I wouldn't have thought of. Like if you're providing a product, maybe think of a way that you can provide a related service. If you provide a service, maybe you can make a product out of it. That's kind of already what I'm doing. My product initially was books. People like books. Now I sell them courses. Now I sell them the educational process.

I'm interested in chapter 7 here—"An Offer You Can't Refuse: The Step-by-Step Guide to Creating a Killer Offer." What do people do to take their idea and get people to respond to it?

GUILLEBEAU: I think so what you were alluding to at first is you've created a series of extensions. You started as an author, but now you have the courses, and now you're reaching people in different ways with a podcast. And that's also a very common model of growth. I think it's a great, sustainable model of growth because you're essentially allowing people to connect with you however they choose to connect. I notice you're on lots of different types of media as well, and there's tons of Facebook fans of the show. Maybe some people don't like Facebook, but then you're also on Twitter. So that's just really good and healthy, and I think that's the way forward for a lot of small businesses.

As for an offer, this is a tricky thing as well, but it's all about figuring out: what is it that people actually want? And I have seen people figure that out in a couple of different ways. I have them figure that out through directly asking, especially as you're beginning to build an audience, and you don't need hundreds of thousands or even tens of thousands of fans and followers, but if you have some, and people have been following along for a while—say you have a blog or something. I do think it's helpful to survey them sometimes and ask, hey, why do you read this blog? Why do you pay attention? Why do you follow me on this network? What is that thing that you're looking for? That's kind of how I started my business in travel hacking and helping people. I have some travel courses, and I didn't have a strategic plan of creating those. I just noticed that people were sending me lots of emails about how do you do this, Chris? And I had to create something on the side. And then, again, you can also just think about, what are those things that I'm good at? What am I excited about? Also, what am I bothered by? Is there some

inefficiency in the marketplace, something that just really irritates me? Maybe I could create a solution to that. I am probably not the only one irritated by that. So there's a few different approaches.

WOODS: You talk in here also about self-promotion, and I think sometimes people are shy about doing it because they don't want to be obnoxious. They don't want people to think they're annoying. But at the same time, if you don't do enough self-promotion, no one finds out what you're doing. What's the healthy balance there?

GUILLEBEAU: I think the healthy balance is to reframe what we think of as self-promotion. I use the word "hustling" in the book, and the way I think of hustling is it's 50% creating and 50% connecting. I don't think of self-promotion as necessarily walking up to someone I don't know and saying, hey, I've never met you before, but here, you should buy my book or my course or whatever. I guess I'm focused half the time on making things, making something that some people hopefully are going to find valuable, and then the other half of the time on connecting and engaging. So I guess a lot of the marketing that I do and most of the people that we saw in the book, they're not doing a whole lot of outbound marketing in the sense of cold calling or that kind of thing. They really are focused on their relationship model. They really are focused on saying, okay, how can I provide some value? How can I help people for free, firstly, but then also how can I develop a product or service that will provide revenue as well? I feel that's a very healthy, long-term, and again, sustainable model to do that. So I'm not against self-promotion at all.

WOODS: When you go back and think about the various people you met and their stories, were there a handful of these that were just so outstanding and extraordinary to you, so startling the story of their success, that when you're asked, hey, tell me which are the ones that impress you the most, these are the ones that always come to mind?

GUILLEBEAU: Yeah, a wonderful question. The interesting thing about this whole project was I did hear some extraordinary stories, definitely some stories of people who had no following, essentially, and they somehow stumbled on something magical that the world needed, and it became a million-dollar business or something. Those things are interesting, but they're not always super-relatable, or we hear some of those stories, and we're like, okay, that's great for that person, but I'm not going to invent the next iPhone or whatever. So I guess for me I was even more impressed by just these ordinary people who had done this in their own way. The story I will tell you of a guy named Brett in Orange County, California, and Brett was a fan of the free software, Evernote, and he noticed that there was no English language manual for Evernote. It was pretty simple software. You didn't really need a manual to use it, but if you invested some time, there were lots of tips and tricks for it that could make you a more productive user.

Brett was a full-time employee with a software developer working for some company. He decided to create Evernote Essentials, which was kind of a field guide to this software project.

He sold it for \$25 online. He didn't have a huge following. He knew some people. He definitely did hustle; he went out and talked to everybody that he knew. But he didn't have a great following. His goal at the time that he put this product out, his wife was working two jobs. They had two kids. They would kind of like high-five hand off at the end of the day. So some things were a little bit stressful. They had some debt. His whole goal was to make \$10,000 with this project, and he said if I make \$10,000 over the course of one year, then it will be worth the effort that I put into it, the month of evenings and weekends I spent writing this and designing it. So he put it out. It was a huge success. I think he made the \$10,000 within the first two to three days. The launch did super-super great, and then it didn't continue to sell thousands of dollars every day after that, but it did continue to sell. It did make \$300 a day, then \$400 one day, and then \$200. It was very, very consistent, and it also became a six-figure business by the end of the year. So his wife, Joanna, was able to quit her job, stay home with the kids. He eventually quit his job as well and built a second version of the product, and he built another one, etc. I love stories like that because Brett is just an ordinary guy. He is just a dude. He was interested in this thing. He was really passionate about it. He thought there's probably other folks out there who have the same need. I can provide this need. I will just give it a try. There's no risk. If it doesn't go well, maybe I'll be depressed for a couple of days, but it didn't cost me anything. Those are the stories that I like.

WOODS: Yeah, that's right, because as you say, people can imagine themselves in that story. They can imagine themselves as that guy.

I got something out of this: you have a section on tweaking your way to the bank and how small changes, small increases in, let's say, conversion rates can lead to big additional money. So, for instance, let's say you've got a web-based enterprise. When you're initially getting your website going—well, that's the key thing: get the website up and running; start selling your product—but then once that's up and running, and you've got some regular income coming in, then you think, my next step is, when people are badgering me from different website design companies, 'Our design leads to conversions,' and you think, ah, it's too much of a pain in the neck to upgrade my website or change this or that, but a couple of thousand dollars investment, even if it means five people convert instead of four people convert every day, that's a 25% increase every single day.

GUILLEBEAU: That's huge. Right, that's huge. And I should be the first one to say I am actually not always so good at measuring things myself. I am not the best at doing split testing. Lots of weaknesses that I still have, but I'm able to have a successful business. I think what we saw through the study was, yes, if you can invest just a little bit of time, especially once you see something that has a little bit of success—again, it doesn't need to be huge, and there are probably most likely some really small things you can do, and some of them might not cost you any money at all. Some of them just involve changing the price of something. Pricing is a really interesting thing, because sometimes pricing is definitely not something that you can go out and survey people and say, hey, what should it cost? They are always going to give a low

number. They might be willing to pay more. In fact, they might actually convert at a higher rate if the price is higher because they perceive the value as higher. So those are kind of things that you can only solve through experimentation, and for the most part that experimentation is free, or at least low cost.

WOODS: It's one of these things that I say to myself: if I had more spare time, these are tweaks I'd play with. I'd do A/B testing. I'd see which landing page works better than the other one. And so when I get to the point where I have maximized what I can accomplish in the current template, then I will have time to get to that, but the fact that I don't have time to get to that means I am busy enough with business as it is, but there's always more that can be done. It's not like, well, I've done everything I can conceivably do. Then there are all these tweaks that you can engage in.

GUILLEBEAU: You were saying that there's always more that can be done: that's what I think of as well, and I think of this classic quote about being an entrepreneur. An entrepreneur is someone who will work 24 hours a day for themselves to avoid working one hour a day for someone else.

WOODS: Yeah.

GUILLEBEAU: That's always been my model, for better or worse.

WOODS: Yeah, it's funny because right now, with my podcast, I'm going to move it to a better site, and I'm going to have better functionality. And so I'm thinking about that. I'm going to redo the intro. I'm going to have a new website, and I'm just thinking about this stuff constantly, and you're right: I'm doing after my wife's asleep and the kids are in bed; I'm up doing things that I wouldn't probably do if I were just an employee, but because it's for me, and I sink or swim on my own merits, I've got to be dedicated to it constantly.

It seems to me this book is especially important given the way the economy seems to have become over the past 15 years. It's no guarantee that you go to college, you get your sociology degree, and you're guaranteed a comfortable life. That's not the way the world is anymore. So I suspect that's a good chunk of the reason that a book like yours has had this kind of success.

GUILLEBEAU: Yeah, I think there's a lot of people out there who have become discontented in different ways, which doesn't mean that they're miserable. It just means they're kind of questioning values. They're questioning practices. They're kind of saying, is it really the best thing for me to rely for my security and my stability on a long-term employer the way that my parents' generation and my grandparents' generation are—some other people might have done maybe impacts my own confidence. My own ability is the best security. That is the best stability. Maybe I should invest in myself. So, yes, I would say that the book is essentially for those who are standing up and saying, I want to do something for myself. And there's nothing wrong with working a traditional job. I have plenty of people who do that, too. But I also think there's value even if you want to maintain that career or something. I think there's a lot of

value in maybe doing something for yourself on the side, maybe starting something on the side. Those two examples that I just mentioned earlier—those were both done by people who had full-time jobs, and in Gary’s case, the first example, he actually kept that financial officer job for a long time even though the business was successful, and he talked about, well, it was good to have additional savings, and he actually liked the job that he had. He enjoyed his colleagues. It was a different kind of work. He liked working socially. But one of my favorite quotes from him was he said, now that I have this business, I have this additional security not just in the form of money, but in the form of a skill and something that people are paying for over time, and he said now I go to work every day because I like to go to work, not because I have to go to work. And if that situation changed, and all of a sudden going to the day job was no longer desirable, then I have something else I can fall back on. So I think, again, there is real value in that.

WOODS: Chris, if people would like to find out more about your work and/or follow you online, how would they do that?

GUILLEBEAU: Great! So the book is called *The \$100 Startup*. It should be available at any bookstore or Amazon.com. They are also more than welcome to connect with me on my blog or Twitter. You can go to ChrisGuillebeau.com, which no one can ever spell, but if you type in something like that in Google it will probably get it to you, or artofnonconformity.com also comes to my website.