

SUBSCRIPTION ENTREPRENEUR



HOSTED BY ERIC TURNNESSEN, FOUNDER OF [membermouse™](#)

How To Add New Recurring Revenue Streams To Your Business with Mike Cliffe-Jones

"We started Lanzarote Information back in 2008, so it's quite a mature business now. And in that time, it has grown from very small beginnings to a seven-figure business that gets 3 million visitors to the site a year, and has multiple income streams. But still run by just my wife Julie and myself from our home office while we travel."

INTRO:

You're listening to Mike Cliffe-Jones, my special guest on today's episode of The Subscription Entrepreneur Podcast.

Now... before I introduce him to you, let me tell you a quick story about how this episode came to be in the first place.

Mike is a long-time listener of the podcast and recently sent me a nice thank you note.

After emailing back and forth a bit we eventually hopped on a call to connect.

As I got to know Mike and hear his story, it became clear that I needed to record an episode with him.

And here's why...

Mike has quietly built an extraordinary online business called Lanzarote Information over the past 12 years.

And while he's not the sort of person to brag about his achievements, I can tell you that he has a ton of wisdom to share with you about being successful online.

In this episode, you'll discover how he started his business, why he added a subscription revenue stream, and the lessons he's learned since launching a private membership and paid newsletter.

I'm really grateful for the opportunity to share our conversation with you and hope you enjoy our conversation as much as I did.

As always, I'm your host Eric Turnnessen and this is Episode 160 of The Subscription Entrepreneur Podcast.

Eric: Hey Mike. Welcome to the show.

Mike: Well, thank you very much. It's a real pleasure to be here.

Eric: It's a pleasure to have you. And we were chatting briefly a bit before we hit record here, talking a little bit about the interesting place where you live, which is Lanzarote, in the Canary Islands. And so why don't we start there? This is a interesting thing. So, how did you end up there, and what can you tell us about it?

Mike: Wow. Well, I'll start with the second bit first. So, it's one of the eight Canary Islands. The islands have been part of Spain since the 1400s. They were conquered by Spain. Christopher Columbus actually stopped here on his way to discover the new world, to take on water. Politically we're part of Europe, we're part of Spain. But geographically we're much closer to Africa. We're 1,000 miles from the southern coast of Spain, but we're only 68 miles here from the Sahara Desert, from the coast of Africa. So, very much a holiday destination.

Our particular island, Lanzarote, has 150,000 population, and we get about 3 million tourists a year. So, a massive part of our GDP is tourism. And as you can imagine, with Covid right now, we're suffering a little bit.

Eric: And that ties directly to your online business, right? Because your whole business is centered around providing people the information about the island.

Mike: Absolutely right. So, it's impacted us, although as we'll probably find out through the course of this podcast, we've done some things over the last couple of years which have mitigated that to a large extent.

Eric: Let's dive into that. Let's talk a little bit about your business and what you do.

Mike: So, Lanzarote Information is a destination website. So, it's a resource for all the people coming to the island, whether they just want to dive in and find a great restaurant recommendation, or whether they want to book a trip here, or a car hire, or an excursion. We started it back in 2008, so it's quite a mature business now. And in that time, it has grown from very small beginnings to a seven-figure business that gets 3 million visitors to the site a year, and has multiple income streams. But still run by just my wife Julie and myself from our home office while we travel.

Eric: So, that 3 million number, that was the same number you gave for visitors to Lanzarote itself, right? So, it's everybody who visits Lanzarote goes to your site.

Mike: I was quite proud when we hit 3 million, which was about two years ago, because it then enables me to say to potential advertisers or people that pretty much everybody who comes to

the island touches our website, or our Facebook page, or our YouTube channel in some way. So, it is a coincidence, but it's one I use to our advantage.

Eric: Do you have any competitors?

Mike: Yes, we do. There's another site slightly older than ours, which is also run by somebody originally from the U.K., but they kind of lost interest about five or six years ago, and it's gradually petering out. You could describe the official tourism website as a competitor, but it's much smaller than ours, and not nearly so user-friendly. So, I suppose the honest answer is, not really anymore.

Eric: Okay good. Now, starting your site, was it something where you had come to the island as... Well, we kind of skipped this question, right? I asked you how did you end up there. Now, is the answer to that question, how you ended up there, similar to, or in relation to, how you started the business?

Mike: No, it's not, actually. And I'll give you the background to how we ended up here. Both Julie and I had very corporate jobs in the U.K. We were on the corporate ladder to senior management. Julie was a finance director, having worked for the same company since college. I was in the motor industry. I was a senior manager with Volkswagen of Europe. So, the real classic corporate climbing the ladder-type of thing. We had two young kids, eight and 10 years old.

We came to Lanzarote on holiday in the year 2000. We rented a villa, and I just remember lying there on the pool one day saying, "I could just give everything up, sell it up, stop worrying about the next house or the next car, and just come and live somewhere like this." And to my surprise Julie agreed with me. She said, "Yeah, me too." We had all the material things, but we didn't really have any quality of life, or time with the kids and stuff.

So, we went home. We put the house on the market to see what would happen, and it sold in three days. And within three months we were back here in Lanzarote with two kids, a dog, and a container full of all our worldly possessions.

We originally started a real estate company, which we kind of almost fell into that, because we just saw a need for it. And over eight years we grew that to be quite a big business. Four offices, 20-odd staff on the island. But it was never really our passion. It was never really what we wanted to do. So, into the early part of the recession, which kicked off here in 2008, we managed to extricate ourselves from that business. And I think I must have known sometime along that we were going to do something like Lanzarote Information, because we booked the name in the early 2000s. So, I've had it for many years.

And we sat down, having got ourselves out of the real estate business, and said, well, what do we want to do? And we said that we wanted to run a business where we had no staff, we had no office apart from our home office. And because we didn't have much money at that point it

had to be something that required no capital investment. And really, everything pointed towards something online. And we had the name, so we started the business in 2008.

Eric: There's a number of things I love about that story. The first thing is that there's so many touchstones in that story that a lot of people could resonate with. Starting with the one where you have a great job, you go on vacation. You start to relax a little bit, and you realize, what is my life about? Is this really what I wanted? Et cetera. And that happened a couple of times in that story, where you start the real estate business, and you get to a point where you're like, wait a second. You check in. But I think critical piece that differs in your story from a lot of people's is that you actually did something about it after you had that realization.

Mike: We did. And in both cases, I suppose. I think we're both executors. Is that the right word? We do react to stuff, and we change things when we need to. And looking back now across the last 20 years, moving here was the best thing we ever did. It was a fantastic place to bring up the kids. And starting Lanzarote Information was the second-best thing we ever did, because it has given us a... Who would've known? Back then in what were some fairly dark days in the beginning, who would've known that it could produce this wonderful business? So, I guess the message for me is, if it feels right, do it.

Eric: That's a great message. Now, let's talk about... Because this is kind of foreshadowing. Another point where you realized, okay, we need to make a transition, and this is something we're going to talk about. But before we get there let's talk about those early days of the business, and getting it to the point... What strategy did you use, and what mechanisms did you use to get it profitable for you, so that you could run it the way that you wanted?

Mike: It was really hard. I mean, back in 2008, '09, '10, there just wasn't the information online that's available now. You can search YouTube and find out how to do just about anything online. And I was coming in with no background as a developer, and I was the tech guy. It was hard. It was difficult in the beginning. And everything seemed to be painfully slow.

What kind of saved me, really, was Twitter. And I discovered Twitter, and I found that there were a lot of other people doing similar stuff around the world, and fairly quickly established that 90% of them were faking it until they were going to make it. And I narrowed in on the 10% who were actually doing it successfully, and I learned a lot by watching them, researching what they were doing, listening to them, asking them on Twitter, how the hell do you do this.

And kind of what I discovered was that there were really, to me, three phases of a content-based business. The first phase is all about building what we now call pillar content. So, creating that platform of really good content. The second phase is all about building audience, and we learned how to use social media, email marketing and SEO. And then the third phase is the one we're thankfully in now, which is where you start earning a decent income from it. So, I said the dog days, but yeah, I mean, they were just hard for two, three, four years, doing what seemed an awful lot of work and earning very little money at the end of each month.

Eric: And what was your revenue model in the beginning? How were you monetizing things?

Mike: Well, my first thought was AdSense. And when I discovered AdSense I thought, oh, we're going to earn an absolute fortune doing this, and like so many people, you know? I think it took six months before we actually had the first check, and it was checks in those days from AdSense. So, then I moved to a local advertising model, and knocked doors on businesses on the island and said, "This is going to be huge. You need to be part of it." I'm delighted to say the first advertiser we ever took on is still with us today after all these years. And we made a promise in the early days, and it's one we've stuck to, which is that we will never price up for them. So, he still pays 32 euros a month to advertise on Lanzarote Information, which has to be the best deal in the world.

Eric: Now, before we talk about your transition to a subscription-based business model, and why you did that, one question I have is... So, you started your real estate business, and you started Lanzarote Information. Both of them had success. So, do you see some commonalities in terms of how you perched both of those businesses from a fundamental standpoint, that allowed you to get them both to successful places?

Mike: I guess I do. And I mean, we've got some sort of fairly strong business principles. I've just touched on one of them, which is we never increase the price once people are doing business with us. Others are that we're very honest. We're open, we're transparent. And we always do what we say we're going to do. And we accept that we make mistakes, and when we do we put our hands up and say, "We screwed up here. I'm really sorry about that. We'll do our very best to put it right." And I think that coupled with a pretty strong work ethic, we're quite happy to knuckle down and work really hard to get our clients what they want, has served us really well in both businesses, as it did before in corporate life, I think. But we've kind of carried all of those things through to our own business.

Eric: And I think it sounds like also another benefit is that you and Julie have always been on the same page for the most part. And do you have complementary skill sets in terms of who plays what role in the business?

Mike: Very much so. I mean, one of the bizarre things that happened, and I don't really know how this happened, but I mean, Julie is an accountant by profession, but I do all the finance and the books for the business. And I don't really know why that happened, but it did. It was probably a clever move on her part. But yeah, we do very much have complementary skills, and a complementary approach. I mean, I'm by nature a risk taker. Julie's the one who will say, "Well, hang on a minute. Let's just think about this for a moment." And she'll drill... I tend to be a big picture person, so I'm saying, "We're going to do this, and this is going to happen." And she'll drill down, sometimes to my frustration, but it always proves to be the right thing, into the details. So, we work really well together very seamlessly.

Eric: I can, from my own experience... Because I'm more of a big picture person too, at least I like to be. That's where I feel most inspired. And I kind of find myself having to walk paths a lot

before I find out that it wasn't the right thing to do. So, in Julie's approach, where you kind of walk the path through thinking about it, and exploring it mentally, as opposed to taking physical steps, and buying things, and executing, and putting work hours in, et cetera, it actually saves a lot of time. Even though it might be frustrating to experience the kind of destruction of an idea when it's so fresh, it ultimately saves you a lot of time and effort in the long run.

Mike: You're absolutely right. And the trick, as the partner of someone like that, is learning to curb that frustration. It's, "Stop asking questions. Just think about it." You're absolutely right, and I love that phrase, walk the path a bit with someone, because that's what she requires me to do. And I can get quite frustrated over it. But it almost always results in a better decision at the end of it.

Eric: Well, that's good. So, if I remember correctly, it was about two years ago you decided to switch up your business model, and try out adding a membership component. So, how did this initially come to you as an idea to do this?

Mike: Well, I'm going to answer that, but I'm just going to backtrack a bit to give people a better picture. So, I talked about the fact that we had income from advertising, but we've done over the years is add on a lot more income streams. So, we became a travel agency. So, we now book people's holidays to Lanzarote. We're a big hirer of cars. So, we have partnerships with three or four car hire companies here on the island, and we do about 1,300-1,500 car hires a year, and we earn a commission on each of those. We also have a whole section of the website where people, who own villas and apartments that they rent out, advertise them. And they pay 100 euros a year, and they have a very nice advert on the website, and the inquiries go direct to them.

So, we've got significant other income streams. And in fact, advertising is now our least important income stream, and I'd like to get to the point where that's gone. So, that's where we got to lots of different income streams earning good money for the business, and paying us a good salary, and obviously covering all of the overheads.

So, your question was how did we get to the membership site. It actually wasn't about income. If I go back to the early days of Lanzarote Information, when we were building an audience, between probably 2008 and 2013, maybe, it had a very clubby feel, because the audience was very small. And we had a personal relationship almost with them. In those days comments were all on the website. People would comment. We'd get to know them. We had the time to do personalized stuff for them. We could say, "Well, if you come in over the next week these are three things you need to do. Here's a great restaurant, because we know you enjoy steak." And we'd even meet with them. They'd say, "Well, if you're around in Puerto del Carmen next Thursday, come and have a glass of wine or a cup of coffee. So, we have this lovely personal relationship with them.

But as the business grew, and as the site traffic grew, that just became impossible. We couldn't do it. And for the vast majority of people coming to visit the site that isn't an issue. Because

they dive in. They get the information they want. They book a car hire. And off they go. But we kind of lost that nice clubby feel. So, we came up with the idea of creating a club for people. We called it Club Lanza Info. We put it on a separate domain. It's called lanzainfo.com. And we were very specific about who it was aimed at, and also who it isn't aimed at.

If you're someone who maybe will go to Turkey next year if the deal is better than Lanzarote, the club is not for you. But if you're someone who comes here three, four or five times a year, who wants to discover that beach that you can go to on a Thursday and there's nobody else there, and you maybe want to eat where the fishermen have their breakfast on a Saturday morning, that kind of information we can share with you. We can give you personal itineraries. We can give you discounts on the stuff you do, and stuff like that. And that's how the club was born.

So, it was always about being a relatively small number of super fans, in the online marketing parlance. We call them Lanzarote lovers. And we set that up. It was actually in August of last year. So, we've just been through the first round of annual renewals for those people.

Eric: And so far, so good?

Mike: Yeah, I mean, fantastic. My hope for it in the beginning was that we might get 100 members. As I said, I mean, we charge 100 euros a year, so it wasn't about creating a huge amount of income, but it was giving those people a much more personal service, and having a better relationship with them. We actually ended up with, I think, from launch 186, and we're now up to 206. We may well close it at some point when we get to, my feeling is somewhere between 250 and 300. It'll go onto a waiting list. Because we don't want it to become too big and lose that personal touch we've built with them.

Eric: One theme I'm also noticing between from the beginning of when you started this business, up until what you're talking about now, is there's also a strong component of being of service, right? So, you started with advertising, because that was probably the first idea, and of course, that's a service. But over time you kept listening to your client, right? Because I imagine at some point the car companies and the villas, or whoever was advertising with you, you were recognizing, hey, we could actually make this process a lot more efficient, and also it could increase our revenue, and also it means that we can deal with the people that we want to deal, and not deal with this advertising thing.

And at some point, people on your site probably kept asking you the same questions. The membership was probably even there before you even created the physical membership. You were probably dealing with people over email, and you're like, "Hey, wait a second. I'm sharing all these things with people who live here, people who seem to characterize themselves a certain way." So, everybody just heard you say this. The reason I'm packaging up this way is because I think that a lot of times this is the success for the business. A lot of times the business tells you where it should go. And as long as you're listening you can pay attention to those things, and follow it, and then it will lead to success.

Mike: You're right. And again, you've encapsulated it in a way I haven't thought of before. But it was the business telling us what to do, and our clients telling us what they wanted. And one of the frustrations was, before we had the club, you're absolutely right, these people were there, and they were saying to us, "We're over next week. Can we have dinner?" And because we were in this sort of place where we thought, well, we can't do that. So, we weren't doing it with anyone. Now that we've got them in the club, and we know them much better than we did two years ago, it's easy for us to say yes, because they've become friends, actually, rather than clients.

Eric: And it seems to be that's reflective of... And also, just before I go on to this point. That's the same kind of success that companies like Airbnb, Craig... Not Craig's List. Pretty much Craig's List was the granddaddy of a lot of different sites. It was you could find jobs. You could find homes. You could sell stuff. So, there's a lot of spinoff sites like Airbnb who focused on one part of what Craig's List does, and just made it a lot better, right? Providing that service of connecting people, so that they could find a place to stay. So, when did the doors open on this membership?

Mike: August 2019.

Eric: So, a little over a year then?

Mike: Exactly.

Eric: So, what have been some of the biggest lessons that you've learned since opening this?

Mike: I think you have to be prepared to change things. So, we were shooting in the dark when we were trying to decide what the membership benefits would be. And what we decided to go with in the end was quarterly meet-ups. We call them meet-ups, but it's basically when members are on the island, we all get together and we go and do something. So, for example, we're doing one tomorrow where we're walking through one of the very historic towns on the island. I'll be giving a talk to everyone about the old buildings, and what they used to be. And then we'll all go to a tap-house lunch somewhere. Last month we did one where we went to two of the remote islands, and looked at bird sanctuaries. And then we landed on a beach, and swam off somewhere else for lunch, and stuff like that.

So, meet-ups we thought were going to be quite important. In fact, they were much more important than we originally thought. So, our plan was to do them quarterly. We now know we need to do them every month to capture those 206 people, enough of them, each time when they're on the island.

Another club benefit was discounts. So, they get discounts on car hire, on excursions, with various shops who are advertisers with us, and stuff like that. Nobody is really that interested in it. So, there's no effort going into increasing that. I thought it was going to be a massive benefit,

but it hasn't been. We initially set up a forum, which is still there on the website, and we steered away from creating a Facebook group, because we figured our demographic, a lot of them, may not be on Facebook.

But because of member pressure we said, okay, we'll do both then. This was maybe three- or four-months in. We created an unlisted Facebook group. I can't think of the right word in English. But an unlisted Facebook group, so other people can't see it, and it has just been fantastic. I mean, it has become the sort of center of the club now. I think we've got 14 members on the island at the moment, despite Covid, and they're posting picture every day in their jacuzzies, and their hire jeeps, and all that kind of stuff. So, there's a real nice vibe going on from that.

Mike: So, I think on the... You need to be prepared to shift things around as you're going along, and we've done it. We've reacted to it. Listen to your members. Ask a lot of open questions in the Facebook group, and I get lots of great feedback on it. We can't do everything they ask for, but we do our very best.

Eric: Great. Now, I have a selfish question to ask you. I'm wondering about the technical experience that it was introducing the membership component into your site, what that experience was like for you personally. Because, as you said earlier, you're not any sort of technical background developer or anything like this. So, just want to hear what that was like for you.

Mike: It was really straightforward, actually. I mean, so we're now up to across the two, the subscription and the membership, to 1,500-odd members on MemberMouse. Installing it was easy. I haven't ever had to contact support for help. I found the videos and the information, which is within WordPress. I don't have to go searching elsewhere. It told me everything I needed to do, really. From experience, I made sure first that the integrations were there, our email lists would get response, and MemberMouse talks beautiful to get response, and that all works perfectly. And the income comes through Stripe, and again, MemberMouse and Stripe, playing together very nicely. So, the experience has been very good. As I said, I haven't had to contact support for help, so that's got to be a good thing. We're well over a year in, 1,500 members.

Eric: So, something else that comes to mind now is you seem to have some magical protection around you that avoids obstacles from coming into your life. Either that, or you just haven't been telling me about them. So, I'm wondering... Because from the time in your life, what was it? 2000, where you guys first visited the island, and decided, okay, we're going to leave, your house went on the market, sold within three days. You were back on the island within three months. It just seems like there weren't any obstacles. But is that the case?

Mike: No, there are always obstacles. But I would say to you, and I said this for years as a joke, I am the luckiest man in the world. I mean, it's worth saying it, actually. My first wife very sadly died suddenly. She was the absolute love of my life. When she died, and when I got over that, I

took a decision that I was going to become an international playboy. I was just going to have this fantastic single life. And I met Julie, who, again, is the absolute love of my life. I mean, there aren't many people who can say they've met the love of their life twice in the same lifetime, and I've done that. And I just tend to be lucky, I guess. I don't know why, and I don't know how.

But there are always obstacles. And I mean, just learning how to do stuff on the web was a major, major learning curve for me, and I made lots of mistakes. I tell you that the biggest one... And this is quite funny. So, we're back in 2008. We've agreed we're going to start this online business. We own the domain lanzaroteinformation.com. And I said to Julie, "Well, what we need is a blog. And I've done some research on blogs, and they run on something called a CMS, a content management system."

So, I got some hosting, and I went into the server, and I looked up CMS, and the first one in the whole list was Drupal, because it was alphabetical, and the last one was WordPress. So, I clicked Drupal, because it was at the top. And I think we spent the first 10 years on Drupal. So, I am a Drupal expert. But thankfully switched to WordPress about four years ago, something like that, and, oh, I wish we'd done it earlier.

Eric: Well, everything comes in its time. But I mean, as far as you being the luckiest guy in the world, I think that one thing I can definitely discern just from having a short conversation with you, you have a very positive outlook on things. You have a large amount of energy, which is helpful. And I imagine that you have a lot of gratitude as well, just grateful for the things that you have, and you're not constantly thinking about what you don't have, which is a very fundamental thing, I think, in success.

Mike: I would agree with you. And what's interesting is that the last point there, being grateful for things, I think is something I only learned through the early years of Lanzarote Information. Because up until that point that luck I've talked about had, I don't know whether it's luck, or whatever it is, that's all I kind of experienced apart from the loss of my first wife. Everything had gone my wife, if you like.

And then suddenly, in those first few years of Lanzarote Information there were genuinely some weeks, some months where we didn't know where the money was going to come from for the next meal. And some difficult stuff happened as well, because we invested all the money from the real estate company into property, and the value of that property went down dramatically on one of them. We managed to keep the other two, including our home, but one of them the bank foreclosed. So, there were dark times in that, but yes, I am a positive person, and I also along the way learned to be grateful for having turned it around and got to where we are now.

Eric: I mean, I think there's so many quotes from different saints and television shows, or whatever. The two that are coming to mind, one is from Lost, and I don't know if it originally came from there. But struggle is nature's form of strengthening. The other one is either from Christ or somebody who hung out with him. And I'm not going to get it exactly right, but,

blessed is the man the Lord doth test. And these things on the surface, they're just the finger pointing at the moon. They're not the actually thing, but the essence of them is that, if you have everything you want, and you're never tested, I mean, you never have the opportunity to really look at yourself in deeper ways and grow, right?

Mike: For sure. And that was me in 2007, I would say. I mean, interestingly, also having been through difficult times, you then learn to want to challenge yourself. And both Julie and I did an iron man triathlon in 2014, which took a year of really hard training. Now, I was 50. What was I? I don't know. 54 or something like that at the time. So, I wasn't young to be doing that kind of event. But again, that taught me so much about me, us, and how the body and the brain operate together. And I learned a lot from that experience.

Eric: That's awesome. So, kind of jumping back into our list here. Actually, before that. So, given we're in the time of Covid, and all this stuff is happening, you mentioned earlier that having made the switch to a membership site helped you to kind of be protected in some ways from what would've happened if you hadn't had that set up prior to. Can you talk a little bit about that?

Mike: Sure. Well, I think in financial terms, two of our income streams have basically stopped dead in March. One was car hire. Well, that didn't stop dead, actually. That reduced by about 80%. And travel reduced by about 95%. So, a significant part of our business effectively ended and hasn't restarted yet. That's been mitigated by both the membership payments, because in August of this year we have the annual renewal for those 200-odd people who signed up last year, and that's a significant chunk of income, but also by the paid newsletter that we're going to be talking about, I guess, in a few minutes, because that was another significant income that came in through the summer. And they've more than covered the loss of business that we've had through this Covid period.

So, I mean, that really was a lot. That certainly wasn't judgment. And I didn't see a pandemic coming. But it has made me realize the incredible security having a subscription business model gives you.

Eric: Well, not necessarily in your case, because you're limiting it deliberately in your market to people who come to the island. But for those listening, basically, being online with a subscription model you're able to do business all over the world, unless of course, a business, like yours is naturally tied to a certain location. Now, you brought up the paid newsletter. So, this situation you've done something that seemingly goes against all the rules of online marketing, which is creating a paid private newsletter. And at the same time you stopped sending a newsletter to your non-paid email subscribers altogether. So, walk us through the thought process here, and how did you come up with this?

Mike: I mean, this actually happened during Covid, but it wasn't actually directly related to it. It was something we'd been kicking around for some time. To give you the background, like many

online businesses, we'd worked hard to build an email list over the years, and one of the ways we'd done that was by using a lead magnet, and building a substantial email list. And we'd got it up to 12,000, I guess. And since 2008, since the beginning, we produced a weekly newsletter for them. In the early days it was very basic. It was essentially an RSS feed of all the new content on the website, which I tucked and tailed.

And then over the years it became a bit more sophisticated, with me adding commentary on stuff that was going on on the island, starting to make it more personal by introducing here's what we're doing at the weekend. And when we started traveling, talking about where we were traveling to, and what we were doing, and stuff like that. It to some extent had become a bit of a millstone, because it was taking perhaps a day a week of work to pull it all together. I was trying to use it as a sales meeting as well. So, each week there'd be some push. One week it would be here's a great offer at a four-star hotel you can come stay at in September. And the next week it might be here's a special deal on a convertible car for your next holiday, and stuff like that.

I also tried to get some sort of sponsorship for it to cover the cost of my time to create it. And I also really wanted to beef it up, because I knew people really valued it. And I thought there was much more we could do for it. But I was finding it really hard to justify spending the amount of time it would need to make it what I wanted, and what I wanted was... I mean, we travel around this island all the time. It's just the most beautiful place.

For example, yesterday we had a meeting with a producer in the wine region here, and for this week's paid newsletter I shot video, which will go into the newsletter. We did a storyboard of how the grapes are harvested, and the new wines, and all that kind of stuff. So, the images from that will go in the newsletter, and so on. So, for a long time I really wanted to make this newsletter something very, very special, with unique content that wasn't on the website, and perhaps isn't of interest to the vast majority of readers, but again, to that sort of second-tier. They're not super fans, but they are proper fans.

So, we decided to move it to a paid subscription, and the plan being that I could then devote all the time I wanted to, which is probably two days a week, to it, and the income coming from it would justify that, and give us yet another income stream.

Eric: Now, have you considered that someday this paid newsletter, the content will be... Because it sounds like, the way you're describing it, the content is basically delivered to the people, and that's the place it lives in the emails. There's place on your website to access it, not even the membership area?

Mike: Yeah, and I'm a bit undecided. So, the way it works is that the newsletter goes via email, and all of my commentary is in there, what we're doing, latest news from the island, and stuff like that. But at the bottom of that is a link which takes them to a protected page where they have the video, the links, and all the images I talked about, and stuff like that. So, they're moving from the newsletter to the website.

Eric: Is that delivered using MemberMouse to do that? The protected page?

Mike: It's not. And I'm not sure I've done the right thing with this, and I'm still thinking about it. Because they're going to the lanzaroteinformation.com website, because that's the site they know. So, for newsletter subscribers the Lanza Info site is somewhere where really all they do is administer their account. They don't have access to the content there, which is for club members. And I'm still thinking through the right way to do this, and to understand the difference between the two levels of membership.

Eric: Well, there's always better ways to do things, but I'm glad that you didn't go through analysis paralysis, not to do anything, before you figured it out, and that you did what you knew how to do, and got the stuff out to the people. Because, yeah, there's always ways to make things better, as you've learned and executed in your business over the years. So, there will also come a time in this case where certain people on the list will start saying something, and at that point it'll click in your mind that, okay, now I know what to do. But until then, island life. Don't worry about it.

Mike: *Tranquillo*, we say here.

Eric: So, let's talk just a little bit more generally about the entrepreneurial journey that you've been on. And something that I notice in talking to you is there's a lot of people today who, everybody wants to be a coach. Everybody wants to be a teacher. And to me in a lot of cases there's probably for every one true teacher there might be 20 false ones. Those numbers mean nothing, but you get the point in terms of the scale.

And the thing is, it's like, kind of reminds me of the multilevel marketing schemes, right? It's where I'm going to start a business, and my business is to teach you how to make money, and here's how it works. You send me \$5, and then you teach people to send you \$5, and they teach... And for every part of that \$5 you get more money, and you have kind of this pyramid setup, where the only reason you're making money is you've gotten other people to do something for you, right? And there's no real value in it.

So, in a lot of senses I think the coaching market is like that, because you have a lot of people who are trying to make it their first gig. So, they're not talking from experience. They're talking from... Like you indicated earlier, you can learn everything online these days. You can learn it from YouTube. You can Google, whatever. Everything informationally is online. So, you have a lot of people who have become aggregators of information, marketed it, package it to themselves, speaking as if they know these things, other than the fact that they have just read it or heard somebody else talk about it. And if you're someone who hasn't gone through certain things you can't necessarily distinguish between someone who got it from their own direct experience, and someone who has just packaged it up.

And nothing against the people who package it up. That is still a value, right? The reason I'm giving this whole thing is because you don't market yourself, and are not in the business of being a coach of any kind. But I want to point this out. Just by the fact that you have been through it, and you have been through all of this experience, there is wisdom to be gained just by listening to you talk about things, because you went through it. So, everything you're talking about is based on that experience, and therefore things can be learned from it. So, I just want to point that out. That has been my experience listening to you.

Mike: It's interesting that you should say that, because one of the things I have had at the back of my mind for a long time is just to record the journey. And I think it's important that I do. And maybe that could form the basis of some kind of coaching or training experience for people. I also had a notion some time ago that I wanted to share the template for Lanzarote Information that other people could use to do... Because there should be one. Our nearest island is Fuerteventura. Next to that is Gran Canarias. There's Tenerife. There's all the Balearic Islands.

I mean, anyone could do what we could do, as long as they can write. And we can accelerate their knowledge and experience, and bypass all the mistakes we made, and get them on WordPress from day one, for example. And so it has been there in the back of my mind. I haven't done anything about it yet, but it'll probably come out when I retire, and the only thing I've got is the newsletter. Maybe that'll be-

Eric: Yeah, and definitely run everything by Julie first.

Mike: I will.

Eric: Because the thing is I know with people who have created inspirational moments and inspired ideas, there's a passion to those things, that it's like a wild horse that wants to carry you off into this fantastical land that you imagine is going to be there when you go there. And that's definitely the downside to that, is if you just follow these things you just end up digging 50 wells instead of digging one well, and then you've got a bunch of holes in your yard instead of something that reaches water.

So, I mean, I think just like everything else that has happened, it'll be clear when it's time for that. I mean, people will just start asking you. Who knows? Maybe this podcast is one of the, when looking back in the past to the future, this will be one of those turning points. Who knows? Somebody two years from now will say, "Oh, I heard that podcast, and I wanted to get private coaching for..." Whatever. Who knows how things happen.

But the point is so much of your journey so far has just been taking the one step, and then the other ones unfold as you're just doing the one thing. So, just general question here for you. Do you have any lessons that come to mind for you that you'd like to share with the audience about building your online business, or any advance that you have for people based on your journey?

Mike: I think I have. I think the first thing is don't underestimate the amount of work it is. I mean, really, there's no easy way to create any kind of business, whether it's online or not. And unfortunately, I think online businesses have kind of developed this get rich quick reputation, which I think is a real shame. And I've seen so many people over the years start some kind of equivalent, for example, with Lanzarote Information, and I always get revved up. "Oh, well, we got to compare to that." And within a year they've peaked, and they've given up, because they can't get through that first difficult phase. So, underestimate the amount of work, persevere with it.

The second thing... And I regularly fail at this, and I find it really hard to do, but you have to give yourself thinking time. It's a well-worn phrase now. Don't work in your business, work on your business. But it's actually really hard to do that. I think most entrepreneurs have a good work ethic. It's quite hard to just sit in the garden under the pergola with your feet up, thinking, but it's so important that you do that, because that's when the magic happens, I think, when you just give yourself time to let a series of thoughts unfold before you then discuss them with Julie, and she drills down into the detail of it.

And the last thing. To have really simple goals. And I mean, everyone tells you, and I do have next year's business plan in detail. I can tell you what the business plan looks like in three and in five years. But actually, the most important thing is to turn it into a really simple thing.

I mean, for example, the newsletter subscription is my big focus. I want to get to the point where I can retire from the business and only do the newsletter over the next five, six years. And in order to achieve that I need to subscribe someone every day. It's not a lot. It's 365 a year I need. And in five years' time I'll have done what I set out to achieve. But it's such a simple goal to have. I can get to... Where are we now? It's 10 until 7:00 here in Lanzarote. Have I got a new subscribe to date? No, I haven't. So, I need two tomorrow.

Eric: Right. That makes sense. I mean, one product idea is... Are you familiar with the magic eight ball?

Mike: No, no.

Eric: No? You've never heard of the magic eight ball?

Mike: No, tell me, tell me.

Eric: Oh, it's just some memorabilia from a bygone era. Basically it's, you shake it up, you ask it a question. There's a window. It's basically a pool ball, a big pool ball. It's the eight ball. And then there's a window, and there's some hexadecimal cube or something inside that has answers on it. So, you shake it up, and you ask a question, and there's just these pithy answers that it gives you, like signs point to yes, or something like that. It's basically like a-

Mike: I have seen it, I have seen it. I just haven't heard it called it. But yeah.

Eric: So, if you could get something like that that you can imprint Julie's wisdom onto, and that you can sell this to people, and it could be called the Julie or something, where you can ask it the questions, and keep you from doing more work than you have to, that's something that I think would be marketable.

Mike: Funnily enough, I bought a domain about a year ago. It's just called youneedajulie.com.

Eric: Funny. Is that even on?

Mike: No, not yet.

Eric: Well, maybe at some point in the future, 2050 or whatever, there will be something on it. We'll see. Well, that's everything that I had for now, right? Did you have anything else you wanted to share?

Mike: No, I don't think so. I mean, only that, like many people, I think you hit the nail on the head when you said it was not intuitive to move to a paid newsletter, but it is the best thing we ever did. I've been so pleased with the results from it. To me success would've been 500 subscribers. We always do what's the worst-case scenario. The worst-case scenario would've been 100. And then we'd have been in a position where we'd probably have to go back to those people and say, "This has been a mistake. I'm really sorry, but here's your back, and we'll back to the way we used to do it." But in reality, we had over 1,000. So, I was really, really pleased with the results. And as I say, it's now been the major component of our focus for the next few years to take me towards some retirement, which I'm looking forward to.

Eric: And I take that statement, that qualifier, back, because at the time I didn't really understand what you were doing. But if I put it in my frame of mind of understanding, essentially what you're doing is you're building a membership site. It doesn't look the same way, but you essentially have protected content that you're offering to people for a monthly fee. So, right now it looks like a newsletter, because that was a technology that you could get up off the ground immediately. But in the future, it may look like something else. But the idea is essentially, is definitely the right direction to go in, because you have people who want these services and offerings from you. And this is a good way to offer it to them, get them what they need, and also in return, give you something you need to facilitate and grow the business.

Eric: So, just as a last check here, where are the places online that people can learn more about you?

Mike: Well, obviously lanzaroteinformation.com or .co.uk. My last name is quite unusual. It's Cliffe, with an E, hyphen, Jones. You can search for Mike Cliffe-Jones and you'll find me, Twitter, Facebook, all the usual places. In most places I'm @mikecj. So, if you live on an interesting island anywhere in the world, and you want to do something like start Lanzarote Information,

do get in touch. I'm more than happy to have a natter with you, and share experiences, and information and advice.

Eric: Awesome. Well, thank you, Mike, so much for coming on and sharing.

Mike: It's been a real pleasure. Thank you very much. And I really enjoy your podcast, by the way.

Eric: Thank you. So, glad that you listen.

OUTRO:

Thank you so much for listening to my entire conversation with Mike.

I hope you're walking away with a few nuggets of wisdom that can help you in your own journey as an online entrepreneur.

I'd also like to extend my sincere gratitude to Mike for coming on the show and sharing so freely from his experience.

To get links to all the resources we mentioned in this episode, head on over to SubscriptionEntrepreneur.com/160.

There you'll also find the complete show notes and a downloadable transcript of our conversation.

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Thanks for being here and we'll see you next time!