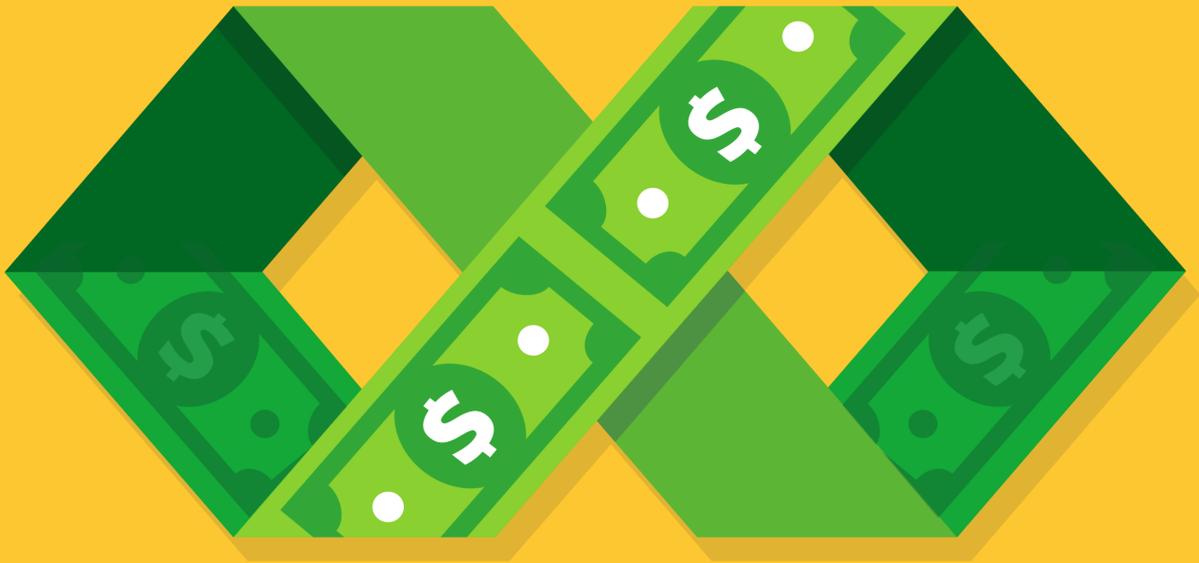# SUBSCRIPTION ENTREPRENEUR

HOSTED BY ERIC TURNNESSEN, FOUNDER OF **membermouse**™

How To Build A Business You Actually Want To Run with John Doherty

"People were always like, "What's going on with Hire Gun? Hey, are you doing anything more with Hire Gun? That looks really interesting." And I was always like, "No, I don't have time." Because I had gotten married and moved to San Francisco and got a dog, etc. And then basically, long story short, I got laid off from my job on Monday at 3:00 PM. I had just got back from a 17-day European vacation, got laid off at 3:00 PM, and I woke up the next morning, normal time, wife left for work. I listened to Eminem's Lose Yourself and decided I was going to work for myself."

INTRO:

You're listening to John Doherty, my special guest on today's episode of The Subscription Entrepreneur Podcast.

You just heard the quick version of how John started his business Credo.

And yes... not only are they still around, they're thriving!

But as you'll hear in this episode, a lot happened in between John blasting Eminem in his headphones and becoming the CEO of a successful company.

In fact, John tried 5 different business models before landing on the recurring revenue model Credo uses today.

John and I have a fun and down-to-earth conversation where you'll hear more about his journey building Credo, learn how he manages his time and energy, and discover the biggest lessons he's learned as an entrepreneur.

I really enjoyed my conversation with John.

As always, I'm your host Eric Turnnessen and this is Episode 167 of The Subscription Entrepreneur Podcast.

Eric: Hey, John, welcome to the show.

John: Eric, thanks for having me, man.

Eric: Yeah, it's my pleasure. It's great to talk to you. You've been in my fringe world for a period of time because you work with a colleague and good friend of mine, Ali Jafarian, who I know you work with as well. So, we've had this second degree of connection through him.

John: Yup.

Eric: So, you are the founder and CEO of a really interesting business called Credo. And before we dive in and talk about your journey as an entrepreneur, can you tell us a bit about your background and share that high-level view of who you are and what you do?

John: Sure. So, I won't give you the whole play by play of my 37 and a half years on earth, but long story short, I was born and raised on the East Coast in Virginia, and I currently live in Denver, Colorado. Been a lot of steps between there. I've done everything from living in a hippie commune in Switzerland for two years, to working for a marketing agency in Manhattan, working in-house, running marketing and growth for a couple of Zillow's rentals brands. And then I've been on my own for the last five and a half years building the company that has become Credo.

I am a veteran digital marketer, mostly specializing in search engine optimization, but I've led all the inbound channels and some pay channels for different brands. Consulted with a lot of companies on SEO, including brands that you've heard of like The New York Times, Dribble, Creative Market, pretty much any real estate rentals company marketplace you can imagine, I've worked with. So, I have a lot of experience growing companies, especially from the organic route. And personally, as I said, I live in Denver, Colorado. I'm married, have a two-year-old daughter and 100-pound black Lab Great Dane dog.

In my personal life, I spend a lot of time outdoors in the mountains, skiing, mountain biking, hiking, etc. And fun fact, I'm also an Eagle Scout, so I can actually survive in the outdoors.

Eric: For how long?

John: I could do a week at least.

Eric: Nice. That's longer than I can do. There was something missing from your very interesting bio though. You wrote a novel when you were nine years old?

John: I did. I wrote a pirate novel when I was nine years old. Yep. I have no idea where that is, I have no idea how you found that information on me, but I have no idea where that is, it's on like one of my parents' original computers, I'm sure. But yeah.

Eric: So, when you say novel, what are we talking about here? Is it how many pages?

John: I don't know, 80 to 100 pages. It was like a Lord of the Flies-esque pirate survival novel.

Eric: So, these people are on an island, something happens, two factions are disagreeing with each other?

John: Yep. It starts off with someone being kidnapped. They're hanging out in Europe and they were kidnapped by a group of pirates, and then they end up on an island with a bunch of other people that have been kidnapped and hilarity and calamity ensues, basically.

Eric: And was this something that you were doing in general or was this like a one-off, you writing this?

John: Well, I've never been a pirate, but... I don't know, man, I've always been a writer, writing the thing that I do that helps my brain focus. And even now, I journal every day. I write, I'd call my morning pages. And I obviously took that from someone else, I forget who originated that term. But writing just gets ideas and thoughts, etc., out of my brain and really helps me focus on things. Writing is in large part of how I built Credo, how I've built my own career, how I built my consulting business, how I got my job at Zillow, I got my job at the agency I worked for in New York, all based off of writing and sharing what I know. So, yeah, it just started from a very young age. I like to say I was a writer before I was a developer, before I became a marketer, before I became an entrepreneur.

Eric: You mentioned it being a process of how you coalesce your thoughts into something, is it kind of a manifestation practice?

John: No, not really. I used to roll my eyes when people would talk about manifesting things. I do definitely believe in like having vision and knowing where you're going. This is more a day in day out, reflecting on the previous day, what's been going on, themes that have been going on in life. It just helps me make sense of... Because there's a lot of stuff that goes on in life, there's business, there's family, there's hobbies, there's extended family, there's pandemics, there's economic stuff, political. So, there's all these things going on in life. And what I find is, if I hold it all up in my brain, then I'm just going to be all over the place and I'm not going to be able to focus, versus if I can write it down and work through.

It's kind of a way for me to process through things and work through what I'm thinking, how I'm feeling, that kind of thing. And once I actually put... I mean, it's physical pen to paper, it's not like tapping on my phone in the Notes app, which I do, but that's more like drafting up ideas for blog posts and that kind of thing, but actual physical pen to paper. There's something about that that keeps me grounded and helps me actually sort through thoughts and feelings and directions. I've had a whole lot of like, "Holy crap, that's what I'm thinking. That's what I'm feeling. That's why things feel hard," moments as I'm just like chicken scratching in my journal.

Eric: Yeah. I find that too. I have an all-purpose book that I carry with me, and it contains... It's part journal, part business ideas, part doodling, whatever. But yeah, I also find that there's some magical process that happens where just sitting down, without even the intention of writing anything in particular, just getting in the flow of doing it, that certain things can come to the surface and be communicated to myself in a weird way because it's like, "Well, didn't I already know that?" And a lot of times I didn't know what was going on. It's like a kind of taking out of the energetic trash, clearing away of whatever might be going on.

John: I like that. Mine is similar, it's actually sitting right here next to me. And I know we're not going to show a video on this, but I'll show it to you. It's my journal, it's sitting right here next to me. And it's also, I'm thinking through something business-wise and I'll just like draw out a diagram or a funnel or something like that. It's just whatever's hitting me at that point, I just need to get it out of my brain. If it's out of my brain, then it's something that I can do something with or it's just like, I just needed to write that out and now I don't have to do anything with it because it's going to be distracting to me with my other priorities. So, yeah, I like that, the taking out of the mental trash, that's a great way to put it. I'm going to steal that.

Eric: I actually have a volume of seven Moleskine journals over the past, I don't know, number of years that they span. And when I was moving out of Santa Fe... No, when I was moving out of Portland a few years ago and going through this process of letting things go that I didn't really want to travel with or take with me, I was just going to burn all these journals. And a friend of mine was like, "Well, don't burn them. I'd like to look at them." I was like, "Okay, well you can have them." And as far as I was concerned, I basically just gave them away and that was it.

And this guy ended up moving to Santa Fe where I moved and he had read through them, it was interesting. He shared some things based on reading the things that I wrote that I had forgotten about, he shared some things and reflections with me that were meaningful for me, so it was like another interesting use for the journal. But now they're back in my possession, which is just this weird journey that they took away and then coming back.

John: That's right. That's right. And there's something philosophical in there about our words and our thoughts taking their own journeys as well, but we don't need to get into that necessarily.

Eric: Yeah. Not unless we're going to go into the hippie commune in Switzerland.

John: Well, I'll move back happily, man. I'll be back happily. Just let me make my financial independence money and then let's go. I'm down.

Eric: Cool. Speaking of the financial independence money, let's talk about how you started Credo. You say this happened, I think, in February, 2013. So, what inspired you to start this company?

John: So, the thing that inspired me to start the company was, I was living in Brooklyn, in New York City and I was working for a marketing firm, a marketing agency. And when I started off working for them, I was making fine money, but I was also living in Brooklyn, living in New York, and so I needed a little bit of extra money on the side, so I basically picked up some side consulting gigs. And fast forward about a year, a year and a half later, I'd gotten a couple of raises, I was actually in charge of the office, I was managing people, and I no longer needed the side money, but I was basically spending two weekends a month in my apartment in Brooklyn,

by myself, doing work for clients I didn't like for money I didn't need. And I was like, "I don't want to do any more consulting."

And so, I decided to stop doing that. And so, I first needed to find my existing clients, someone to work with, because they were all asking me, "Well, if you're not doing this anymore, who should I work with?" And then also people coming to me, wanting to work with me that I wasn't taking and they were all asking me for referrals. So, I built out a Google Sheet, had people submit a form, and it populated into a Google Sheet. And I would just introduce people to people, like, "Hey, James, you should talk to Ross. Hey, Sarah, you should talk to Jim." That kind of thing.

And then I got into Lead, it was a business in Provo, Utah, and my friends, Brandon and Kate own an agency in Provo, Utah. And I was like, "You know what? This is a great lead for them, but what if they paid me for this?" So, I emailed Brandon, I'm like, "Hey man, just got on this lead, it's this business there in Utah. Would you be willing to pay 50 bucks for this intro?" He goes, "Yeah, what's your PayPal?" Three minutes later, I have 50 bucks in my PayPal account, sent him the intro. He closed a few thousand dollars' worth of work. And I went and bought a domain name and threw it up on some shared hosting.

So, really it was just a play to like solve my own itch of, I needed a good place to send people, needed a good list of people built out, and then realize there's money in lead generation, and so on and so forth. Also, just so you know, I stopped consulting December 31st, 2012, and January 21st, 22nd, 2013, I met my now wife. So, I actually had time to date her. Yeah, so it worked out really, really well. But it was just a fun side gig. A little bit of extra money, not much, but a little bit of extra money. It was just a creative outlet for me.

And then I went in-house with Zillow. I'd been working agency side of wanting to work in-house, got to build a team, build a whole marketing program, etc, drove a lot of traffic, a lot of business. But people were always asking me... Credo was called Hire Gun, H-I-R-E-G-U-N at the time. And I'd blog once every like three months or so, throw up a new blog posts, and people were always like, "What's going on with Hire Gun? Hey, are you doing anything more with Hire Gun? That looks really interesting." And I was always like, "No, I don't have time." Because I had gotten married and moved to San Francisco and got a dog, etc. And then basically, long story short, I got laid off from my job on Monday at 3:00 PM.

I had just got back from a 17-day European vacation, got laid off at 3:00 PM, and I woke up the next morning, normal time, wife left for work. I listened to Eminem's Lose Yourself and decided I was going to work for myself. Not even kidding. So, that was five and a half years ago.

Eric: There's so many things I love about that story, and some of the ones that I love the most are the ones that I resonate with because they were really part of a MemberMouse's origin story too, this seemingly invisible hand that's guiding the thing. There wasn't really a plan from the beginning that this is the way that was going to go, but these things kept coming in that were making it very obvious. This is the easiest thing for you to do right now. You could just do

this and make this connection, and before you know it, it becomes this thing that was in a way, at least how it felt to me, placed in my lap.

John: Yeah, yeah, exactly. Exactly. Yeah. And I've had to come, and I'm curious if you've had to do this as well with MemberMouse, I've had to come to the realization of like, "Is this my life's work? No. Is it a good business? Yes. Does it pay me well? Yes. Does it make a difference to our customers? Yes." But also recognizing that it's not this all-consuming thing, nor do I want it to be, and it just enables an awesome life.

Eric: Yeah, for sure. I feel the same way. And this balance needs to be struck though, and I've gone different sides of the spectrum with this in terms of, okay, I recognize it's not my life purpose, and yet it's a thing. So, I've gone for periods of time where I'd pretty much disappear. And I know that doesn't work, that's not the right approach. And then I've gone for times where I'm pretty much just lost entirely in it, and that's not the right approach. So, over the years, it's been about finding the balance of making sure that I'm doing right by myself and making sure that I'm doing right by the business.

John: Yeah. And my take on that, Eric, is that sometimes you do have to dig in and let it be quite consuming. But then there are other times where you can step back, you can't abandon it, but you can step back a bit. You don't have to be developing a ton of new features or going into a new market or pushing big on the enterprise or something like that, and you just let the business tell you what needs to happen next. I'm a big fan of, you build out this new thing, you build a new product or something like that... And Ali and I did this recently with Credo with our down sell offer for companies with lower marketing budgets and agencies that take smaller contracts, where I rolled that out as a test back in August, we built out the product in December, and we basically haven't touched it since then.

We've just been gathering a lot of data and seeing what it does. And then next month we're going to go in and we're going to work on optimizing that, but we haven't really spent any time with it. We haven't written a line of code on that in three months because we were just like, "Well, what's it going to do in this iteration? And then if we want it for exit, what do we have to do next to head us in that direction?" So, I think that can be great for lifestyle as well because you can't keep sprinting forever, though sometimes you do have to.

Eric: Exactly. And I find that same thing. And to me, in my later years with this experience, it all comes down to a level of discernment, is the feeling that I need to do something truly something that's being asked by the business, or is it something that I'm doing because I'm uncomfortable doing the thing that I'm actually being asked to do? And that level of discernment has been more of what the thing is about for me now. And the really tricky one for me still is, if there was a really big period of like, okay, you definitely need to do this project, the energy supporting it.

And what I mean, by the energy supporting is, it doesn't feel like there's a lot of effort, but yet there's a lot going on and there's an excitement about it, there is an enthusiasm about it, let's

just get this done, let's just do it. Now, when it comes to the end and that project is complete, sometimes I won't be able to easily transition out of that enthusiasm and that excitement and that doing and that knowing what's going on and coming into a period of rest, those transition times are difficult for me.

John: I think that's common. I experienced that as well. What I found works there is saying like, "What is the end goal of this thing? What's the purpose of doing it?" So, that I know that we've worked on it to get us to a certain point, whatever our priorities are currently in the business. And then for me, it's taking a step back after we do it and also... Taking a step back so that I'm not just nervous energy continuing to tweak things, and also having the next thing to go to. Even if it's like, if you've been crushing 80-hour weeks to get this thing out, which I never work 80-hour weeks anymore, I haven't worked more than 40 hours in a week in years, purposefully, because I want that work-life balance.

But, if I've been really hyper focused on this one thing, then it's okay to step back and say, "Hey, you know what? I'm just going to throw around with these other little things that I want to optimize but haven't been able to because I've been focused on this one thing so I have an outlet for that nervous energy, but I'm also giving that thing that we just worked on time to breathe to see how it does." And I can always shift back to that.

Eric: Yeah. That sounds like a great strategy.

John: It's been helpful.

Eric: Yeah. So, from the little bit I know about your journey so far with Credo, it sounds like you've tried a bunch of different business models. So, what does this iterative process look like for you?

John: So, we're at model number five, business model five since 2013. And gosh, it's been a process, man. The quick and dirty background on those different models is the first model was this just per lead kind of thing that got us that first revenue. The second model was percentage of closed work for a certain amount of time, 10% for three months is what it was, but that was problematic because, A, agencies can be very bad at closing work. And then also, with the time bounding it, we didn't get paid unless they were able to close, and I've learned that lesson a couple of times. And by time Downing it and saying it was only like a percentage for X months, we were building in 100% churn every quarter into our business model, which is a terrible business to run, very, very hard to run.

So, I did that for a number of months, and then basically, all of our metrics are going in the right direction, traffic leads, etc, but our revenue was going in the wrong direction. So, I did a bunch of research and talked to some coaches and some mentors that had become coaches and basically decided to lean into it being a two-sided business and basically having agencies subscribe for a X number of leads contacted per month that we would generate the leads.

Worked pretty well. We basically went from about three grand a month in revenue about six months in to 17 or 18 by the end of the year. And it was just me.

But I was crushed, man. I was exhausted. Churn was out of control, technical issues left and right, emails going to spam, that kind of thing. And so, then I started working with a business coach, and basically just dramatically increased our prices, and actually landed on a model that's very similar to what we're running now, though we didn't have quite the controls in place and the upgrade paths and things strategically about it, didn't have the tech in place. But at the end of the day, agencies were looking for leads, and so we were selling them leads. And it worked pretty well. And we about doubled again.

And then I got this bug in my ear to build out a marketplace and do an escrow model. That's when Ali came on board. We reworked the marketing site first, and then we started building out the platform, and we rolled that out about eight, nine months later. But honestly, I only operated that for about nine or 10 months. It was really, really hard to scale, super operationally heavy. And we learned a lot about running... We figured it out and it was growing, we were processing six figures a month for agencies and taking a cut of that, but it was just a really, really hard business to run and grow.

It was operationally intensive and that's just not the business I wanted. I wanted to focus back on our best customers, and so we basically last year, June-ish, 2020, we loped our product in half and doubled our pricing, and went back to selling leads as opposed to being in the middle of the transaction and requiring certain things that we know make engagements go well. I basically said, "You know what? Agencies want leads, they do need to close to stick around, but really they need good qualified leads and they're willing to pay for that." So, we finally started charging for the value of that, and we've grown 70% since last July.

So, it's really been a very iterative model of, "This thing looks like it works, and it gets us to the next step, but hey, here are the problems with that. And then let's change things up, takes us to the next step. Here are the problems with that, takes us to the next step." And then now this model is one that we can really take in scale, but also recognizing that our customer is the agency not the client that's looking to hire, and so agencies need to sell better, they need to manage their team better, they need to message themselves better. There's a lot of things that agencies need to be able to grow that we can basically help them out with via training and that kind of thing.

It's not just leads, everyone thinks they need more leads. There are a lot of agencies out there that don't actually need more leads, they need better business processes, they need better sales processes, that kind of thing. So, now it's just a matter of like, "What are the additional needs that we can meet in the market and this incrementally adds on revenue and adds on impact?"

Eric: Yeah. And the idea of not needing leads, I think a lot of what you just shared talks to that, I think, hidden obstacle for a lot of entrepreneurs, is how you arrive to one thing is not going to

be how you arrive to the next thing. And what's interesting about you sharing how many times you've changed your model and approach is that each time you did it, it had a corresponding impact on your revenue in a positive sense. So, in a way, these things are obviously very important strategically to do. So, how do you know when it's time for you to make one of these changes and you need to really be introspective from an entrepreneurial standpoint and recognize that it's time for something to change?

John: It's a good question. And different people are going to have different answers to this. And one of my coaches, who I think you know, Chris Lima, would say that the way I've done it is insane, but it's worked. So, for me, it comes down to a couple of things. Number one, it's, are we accomplishing? Is this moving us in the direction of the things that we want accomplish: revenue, goals, impact, number of leads, etc.? But then also, it's what you were saying about, where is that energy, and what's that energy coming out of the business? And I find that like when something is super operationally heavy, I don't enjoy that. I enjoy building new things, getting new things traction, setting it up for success, getting those initial processes in place, and then I'm onto the next thing, man. 12, 18 months, and I'm like, "I'm good to go."

And so, for me, to stay engaged and stay interested in the business, I have to keep changing things up, because otherwise, I'm just going to sell it or just stop working on it. And so, that keeps it interesting for me, but it's been a matter of recognizing that sometimes, or now, we have our core model that works really well and delivers great value to agencies. So, let's not mess with that. I actually have people in place that are operating that model. And so, then I can go work on auxiliary things, our down sell, our accelerator, our training, that sort of stuff.

And that keeps me really interested and keeps the business moving forward because I'm always looking 12 to 18 months out. 18 months out from now, where do we want to be revenue-wise, customers-wise, impact-wise, that kind of thing. And that's where I need to be focusing my energy on because that's where I'm at my best. So, I think it's part of just recognizing like, what are your skills? What's your skillset? And if you know that every 12 to 18 months, you're getting bored, like, "Okay, we figured this thing out, what's next?" And you're either going to blow up the whole company and like rework everything, which is fine until you find what works, but then you have to learn how to harness that energy in a different way.

But to answer your specific question, for me, it's been knowing I need to switch something up when it's just like there are these problems that I'm seeing in the data or what people are telling us, or I'm like, "There's this problem that I keep hearing again and again and again and again, and we can solve that." And if I'm just constantly hearing those problem and I can't solve it, that drives me absolutely crazy because I'm like, "I'm smart enough, I'm good enough, we have a good enough of a team that we can solve this thing." As long as it then maps us to doing better, having more impact, more revenue, etc., then it's worth working on, but that's how we prioritize it.

Eric: Nice. You were sharing that you like to work 12 to 18 months out and have a plan and stuff like this. How do you balance and inform your day to day, week to week activities with that

level of foresight, as well as handle things that are prioritized, I guess, the things that naturally come up on a day-to-day basis, so reactive things, like things just happen spontaneously, and making sure you're staying focused on that goal and choosing and discerning when you need to adjust some of your vision based on stuff that's happening right now.

John: It's a good question. I don't know that I have a perfect answer to it, I don't think anyone ever has perfect answers to anything, but for me, what I found works is I'm constantly looking for the... I love Paradise Principle, the 80/20, you get 80% of the results from 20% of the input. So, I'm constantly looking for, A, what are the things that I can work on that are just going to have a dramatic outsize impact on the business? That I can put in the 20% effort and it's just going to show good things forever, more traffic, more sales, more agents, whatever that is, I'm constantly looking for those. And then I'm looking for, what am I spending 80% of my time on that's only getting us 20% of the results?

And usually, I'm spending 90% of my time, it's getting us 10% of the results. And so, I've gotten very good over the years at basically self-selecting what I'm willing to work on and who I'm willing to put energy into. If we have a customer that is not getting results and they're a pain and they're taking up a bunch of time and they're not being successful, I just turn them out and find a new customer, because the ones that are taking up the most time and are requiring the most energy are also the ones that are paying us the least, almost all the time. And that's just not worth it. Then you're stuck spending the most time on your worst customers, and I would rather spend the most time on my top customers.

And so, what I've done is I have a team in place that is basically my first line of defense for customers, and then I am basically investing my time, which is valuable, into our top customers because they're making up once again, 20% of customers make up 80% of your revenue, take up 20% of your time. And then the bottom 20% take up 80% of your time, and are only accounting for a small percentage of your revenue. I would rather focus on finding the good ones as opposed to trying to take a bad customer or a lackluster customer and make them a pretty okay customer. So, I've just gotten very good at saying no and saying like, "That's not a priority for me, and if this isn't working, I'm not going to change things specifically for you because I know you're not willing to pay me anymore. And we're just not going to do that, and I wish you luck."

I've just had to learn over time just to be willing to say like, "No, this isn't a good fit here." And to start thinking scalably of like, I literally cannot afford to do custom work and to spend time with people that are just not going to be successful within... Maybe they'll be successful in other ways, but they're not going to be successful in the way that we work. And that's okay, we're not a fit for everybody. So, I've just gotten very good at that, and then putting very tight controls on my calendar and on my time. And I have an assistant that her number one job is to protect my time. Rose is my gatekeeper, and things do not get onto my calendar unless Rose sees it first.

She stars things, we use Frontapp.com for our shared email inboxes. She manages my whole inbox in my calendar. If there's something she thinks I need to take a look at, she will star it. And so, I only look at my starred emails, I don't see anything else that comes into my email. And all the time, she's like, "That's not a priority for John." So, she'll tell me about the next week, but I don't even hear about it, I don't even have a chance to distract myself. So, she's my gatekeeper to keep me focused.

Eric: That's super useful. The one about recognizing your customers who are taking up all your time but not really bringing in the balanced value for that, that one was a really challenging one for me to work with. My background is, I guess, as a software engineer, so the first thing that I was doing is trying to create a product that people wanted to use. And in the early days, I was the one dealing with all the support and all of the direct feedback from people. And in that sense, me having to learn how to set those boundaries has been probably one of the most challenging interpersonal aspects of growing this business.

And to this day, it's not easy for me to push somebody away if they're not right, and how to effectively have that conversation, and the language to use and all this stuff, but it's absolutely essential.

John: Yeah. I don't know, I feel like we've mentioned energy a few times on this, but for me, I'm just constantly taking stock of who's taking up my mental space, and are the people taking up my mental space the ones I want to be taking up my mental space? And there's, I forget who said it, it sounds like a well-known internet guru, but basically the saying is like, or asking yourself like, "What things are in my life that I don't want to be in my life that I am complicit in having there? What in results am I complicit in..." I forget exactly what the saying is, but you get what I'm getting at. It's like, what's going on in my life that I don't like that I'm responsible for that I can change?

And so, if it's a certain customer or something like that taking up your brain space, it's like letting your worst haters take up your brain space. It's like, why would you let the people that heat you determine how happy you are? That makes absolutely zero sense. So, how do I get them out of my orbit, block them on social media, whatever it is, block their emails, whatever it is, how do I just get them out of my life so that I can focus on other things, things that matter, things that drive my happiness forward, and drive my business forward.

Eric: Yeah. And this sounds like for both of us, a really big lesson that we've learned in working in our businesses, so to follow that thread, what are some other big lessons that you've learned working in and on your business?

John: Oh man, there's so many, I think the biggest one is following on what I just said about who you allow in your orbit. It's looking for those people that you just genuinely enjoy being around and make you a better person and investing down hard into those relationships. We have a few agencies that we work with, they've been working with us for a while, I did some work with them back in the day to really help them grow their agencies. We have one agency

that we've helped grow from 600K a year to four million a year in revenue in about two and a half years. And they just love us, and I love them. They're phenomenal to work with.

Another one that we've built such a relationship, one of the partners reached out to me a few months ago and was like, "Hey John, I see that you've been meditating every day for a few months, I'd love to learn more about that and start my own meditation practice." And yeah, we've made them millions of dollars over the years, but that's when it's become a friendship and a true partnership. And I've really started looking for those that it's like, who are those partners and who are those people that we can go on this journey together? And that's been a big shift for me going from having a fairly large audience online, on Twitter, etc, down to, who are really the like six, eight people in my professional life that I really just want to keep close and keep in contact with and we're really driving each other forward?

That's been a big one, a big one for me. And another one is honestly just letting things take time to tell me what it should be. I feel like a lot of people, a lot of entrepreneurs just try to force a square peg into a round hole, and I got tired of doing that. And basically, I said like, "Why would I do that?" The definition of insanity is doing the same thing again and expecting a different outcome. If I have a square peg and there's a round hole, I'm not going to try to fit them together, I'm either going to find a round peg and put it in the round hole, or I'm going to find a square hole to put the square peg in. I'm not going to whittle down the square peg, I can find a square hole quicker than I can whittle down the square to fit into the circle.

I'm just all about that emotional, that energy optimization there, whereas you know what, I'm just hitting my head against a brick wall. That doesn't make sense anymore, how do I get around that brick wall so that I can keep on moving forward. And just constantly looking for those new ways out. Maybe that's why I've shifted business models over time, because at some point, man, you just get tired of hitting your head against a brick wall or trying to fit the wrong peg into the wrong hole, and it's just not worth my time anymore. It's not worth my energy, I've other things I'd rather be doing.

Eric: Yeah. And the critical element of that process is the recognition, perceiving that there's a round hole and a square peg or vice versa, or perceiving that you're actually hitting your head against the wall, because actually in the examples that we give, it's so obvious that that's the situation and what the solution is, but in practice, so much of the path and the journey of life, and we're talking about entrepreneurship and building businesses, but really anything that you're going to involve yourself with is getting in touch with this deeper level of discernment and awareness such that you can make more refined decisions, which takes experience to come to those points.

John: Right. Yeah, absolutely. Just quick anecdote, last year, I started meditating about a year ago, nine days from now, after recording this episode, I will have been meditated every day for a year. And I'm an anxious person, I'm type A, and I remember I was on vacation last year in Alaska and we were driving back to where we were staying. My wife's from the Anchorage area, and we were driving back to the Ski town where we were staying about 45 minutes outside,

and we were stuck in traffic. And I started feeling really like, I don't know, punchy and short. I started getting annoyed with my wife and I'm like, "What's going on there?" And I was able to recognize, I was like, "Oh, that's anxiety there. Well, why am I anxious?"

And then was able to work through that. And it took me about 10 seconds to work through it and I was back in a completely different head space. Same thing with business, you get an email in your inbox that you can't ignore from a customer that's not happy, and it used to be, I'd rage at my computer and just yell at the person through my computer, or I want to yell at my computer to just get that out. And now I'm like, "Why is that annoying me? Oh, because of X, Y, and Z." Those are things to work on, and now I can go back to them with a thoughtful response as opposed to reacting and kicking them off the platform, which I've done before.

And I don't regret doing that because those people weren't a good fit, but now I'm able to pull back, recognize what's going on and then move on forward in a more peaceful, steady state. So, that's been really helpful.

Eric: Yeah. And there's a difference between even though the action, the outcome is the same, ending the relationship in a way, there's a difference in performing that action in a state of emotion and performing in a state of calm and being stable and grounded, and the impact. And it's ultimately, I think, talking about what energy holds in our mental space I found because I've had the same exact experience so many times, when I respond from the place of emotion, it may end in a physical sense, like, "Okay, this person may not be a customer anymore, whatever," but the mental energy is still reverberating over a long period of time.

However, if you take that pause and you process, bring awareness to the emotions that are happening and allow them to be seen and therefore, dissipate as a result of that process, and then come back from a place of being collected, and just matter of fact, when it's done, it's done, it's totally different.

John: Yup, absolutely.

Eric: I am also really big into meditative practices and have a daily practice myself, and find it to be a huge part of my life at this point, and probably one of the things that's been the most transformational about stuff that's happened. We've touched in a number of ways how we can talk about from retrospect, how you handle a situation, and a lot of it comes down to this ability to see something and bring awareness to something that then you can change, "Oh, I'm butting my head up against the wall, or something needs to shift in this business from an energetic perspective or whatever." And I found that the meditation practice that I've done is what's helped develop the sensitivity to help guide things in different ways, and I'm wondering if you're experiencing a similar thing with your practice?

John: Yeah, I am. I think my meditation practice has definitely made me more aware of what's actually going on inside my brain, inside my life, why am I annoyed? Why am I frustrated? And really, being able to step outside of the day-to-day, moving fast and doing things, doing a lot of

things in the business to keep it moving forward to where... I think it's been a large part just prioritization and awareness of like, "This thing keeps happening again and again, that's worth noting and worth dealing with and thinking through." And then also for me, it's been more, I think Eric, the personal side of recognizing my internal monologue, recognizing when I'm not being nice to myself.

And then that in and of itself makes it a lot easier to then look at the business challenges from a dispassionate state, not in a don't care about it state, but in like, if I don't solve this or if it takes a while to solve it, or if I have to do something new that I've never done before that's scary to solve it, that I'm willing to do that as opposed to telling myself, "Oh, you're just not going to be able to figure that out, John, you're not smart enough to figure that out." Being able to recognize that, "Maybe that's the story I'm telling myself and that's totally not true." And maybe it's true that I can't solve it on my own, and that's okay because I can find the people that have done it before that can teach me how to do it and get me through it.

And so, that's been really, really impactful for me over the last year, and I think helped me be... I'm definitely not perfect at it, but I've been able to recognize, and honestly admit to people. If I'm in a bad mood, I'm actually okay telling my team that because A, people I work with closely, I don't want them to be like, "What's going on with John today?" I just want them to be like, "Hey, my daughter hasn't slept through the night for the last five nights because she's had a bad cold and a cough going on, and I'm exhausted. And this thing happened this morning and I'm really tired and I'm in a really bad mood right now."

And just being able to be open with them, it keeps me from blowing up at someone because then they can approach it in a different way. And I want that open communication within the business that is like, "Hey, so-and-so is working on this thing, whatever, they're tired right now, they're going through something personally." I just need to let them do their thing, I need to let them sort their thing out and not wonder about if they're the right fit for the business moving forward, because this isn't who they are. And so, just learning to recognize those sorts of things, it's just made me much more self-aware and I think much more grounded as a leader, which is only good things.

Eric: And the beautiful thing about that too is it becomes an example and now people on the team will feel more comfortable doing the same. And ultimately, with the people that, I think at least how I grew up, how I heard, well, my father's relationship was with business or company he worked with, felt like a very impersonal type of engagement, you just happened to spend all this time with these people, but he really didn't have a connection with them in a certain sense, so it was business. But I find, especially in a small entrepreneurial operation, it's important to have connections with the people who I work with on a day-to-day basis, because literally, this is literally how I'm spending my life engaging with these people.

And if I need to be someone different than who I actually am with them, or vice versa, then what are we really doing?

John: Right. Exactly. Exactly. And then being willing to make those changes as well if needed. And it's interesting because as businesses grow, we have to become different people. And the way that I'm involved now, we have a contract developer that we work with, I haven't talked to him in a while and it used to be me and him digging through algorithms and actual emails and answering call jobs and that sort of stuff. And I'm not involved in that now, that's all Lee that's doing that stuff because he's better suited for it, but I'm better and I've recognized that I'm better at the numbers, and the forecasting, and the marketing, and that sort of stuff. And I did what I had to do to get the business to where it is, but then now that's no longer my role.

And so, learning to recognize when your role has changed. I recently recognized I have to move from individual contributor, sell things, figure things out quickly, etc, to I have a team that needs to change things. And so, coaching them in doing that and making them better at it. And it's been a shift in what my role is and how I think about what I do in the business, but it's been really good because I'm no longer trying to fit a square peg into a round hole.

Eric: Yeah. I've heard a number of different entrepreneurs talk about the importance of... Certainly, people who are playing the CEO role, that it's important to learn how to replace yourself as quickly as possible in all different roles. So, as soon as you are playing a role and you know that, "Okay, this isn't the thing that I can be doing," you need to find somebody who can play that role. Again, another area that's very challenging for me to do, I wonder what your experience is with that.

John: It's a whole new skillset and that's the way I look at a lot of these things is... I believe that everything is figureoutable, but I also need to find the people that have figured it out so they can teach me, which is going to expedite it, but also recognizing that it might never be my favorite thing. People managing is never going to be my favorite thing. I'm not a culture person, getting new t-shirts every three months, that kind, I'm not that kind of person. And so, I can do it a little bit if it has to be done, but then otherwise, I need to find someone that can do it. So, I feel like my role is a lot like... As a CEO and founder, my job is to keep revenue coming in and keep the lights on.

So, manage a good business, look ahead and see where the industry is going and see what people are telling us they want. And then does that make sense strategically for us, and then marching towards that. And then after that, it's empowering the team, it's empowering people to be the best at the things that they're best at that I am not best at. And I'm never going to be world-class at recruiting, for example, not my thing, but there are people that are, and so I should empower them to be best at that. And then that improves the business, and they're happy and I'm happy.

Eric: Yeah, exactly. It's great insights. A final question for you here, somebody just now, are in the early stages of starting their business, do you have any specific advice for people at this time in their journey?

John: Yeah. My advice would be, super early on, spend as much time as you can with your customers, getting to know them, talking to them, getting them bought into your vision and really listening to them, listening to the problems they're trying to solve and looking not just like, "Oh, they tell me they need leads, so I'm going to sell them leads." But what's the bigger need there? Why do they want more leads? Or why do they need more leads? What's going on there? Why do they want to get in shape? Whatever it is that you're teaching.

And those initial relationships are going to be so big for you. And if you can find those people early on that they're really your partners and you have their best in mind and they have your best in mind, those are the special relationships that are really going to carry you through. Like that first 50 bucks I ever made from Brandon at Wallaroo Media, Wallaroo is still a customer of ours, they're one of our biggest customers. And whenever I go to Salt Lake City area, I hang out with Brandon and Kade. We go to dinner, they've been in Mexico with me a couple of times, they're my people and they were my first ever customer with Credo.

And so, you never know where those relationships are going to go. And so, really investing down into what is it they need and that they're willing, and looking for that reciprocalness of they're willing to invest in you as well, because that has to work. And then that's going to be the best way to really get going, those are going to be the special relationships.

Eric: Yeah. And that was exactly what it was for me when I was first starting MemberMouse too. I didn't have somebody give me that piece of advice, but it definitely is what helped the business get to a point of stability, just closely working with customers one-on-one, getting their ideas and feedback, putting that into the product, not just having this dictatorial view of how things should go, but helping them be a part of it. And it's so much of a part of our success to this day. I really appreciate you taking the time to come and talk to me, John. It's been great. And the last thing is, where can our listeners learn more about you?

John: Yeah. Two places, my company is Credo, getcredo.com, and the best place to interact with me personally is on Twitter @dohertyjf, D-O-H-E-R-T-Y-J-F. I'm on there a lot, love interacting with people. That's the best spot to find me.

Eric: Perfect. Well, thanks a lot, John.

John: You betcha. Thank you.

OUTRO:

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

I hope you enjoyed this episode and are walking away with some ideas and insights you're excited to implement in your life and business.

Many thanks to John for coming on the show and being real about his journey as an entrepreneur.

To get links to all the resources we mentioned in this episode, you can head on over to SubscriptionEntrepreneur.com/167.

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.