

SUBSCRIPTION ENTREPRENEUR



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

How To Double Your Lifetime Customer Value & Triple Revenue with George Papazov

"At the time, that quarterly meeting, we were actually thinking about how to get more members. But really, what the lifetime client value was telling us is spend more time with the clients you got. So, through that LTCV tool, that one little simple thing, and there's so much more in the advanced reporting that we use today. But through that, we're able to say, "Let's strategize. How do we actually reach our current clients?" To this day, we've tripled our revenue. Our lifetime client value has doubled and we created on the learnings of getting to know our customers, a funnel that's generated \$150,000 of passive revenue."

INTRO:

You're listening to George Papazov — my special guest on this episode of The Subscription Entrepreneur Podcast.

George is an inspiring entrepreneur, remarkable human, and the founder of Trade Pro Academy.

They're a membership site that helps aspiring traders achieve lasting and sustainable success through in-depth courses and supportive communities.

In this episode, you'll get to know George and hear all about how he started, grew, and expanded his membership site.

Plus, he shares the specific strategies he used to double his lifetime customer value and triple overall revenue after hitting a bit of a plateau in his business.

We also explore many of the mindsets, attitudes, and perspectives that've helped him achieve success as an entrepreneur.

There is a lot of strategic advice and practical wisdom in this episode and I hope you enjoy it as much as I did.

As always, I'm your host Eric Turnnessen. And this is Episode 176 of the Subscription Entrepreneur Podcast.

Eric: Welcome to the show, George.

George: Hi there, Eric. Thanks for having me. Appreciate it.

Eric: Of course, my pleasure. I appreciate you coming on the show. To kick things off here, can you give our listeners a brief overview about who you are and what you do?

George: Yeah, absolutely. First and foremost, my name is George Papazov. I own and run a company called TRADEPRO Academy, and what we do at TRADEPRO Academy is we focus on providing online trading community and education for anyone who really wants to learn how to tackle the financial markets and work towards financial freedom. One of the key things that we do at TRADEPRO Academy is we really focus on creating community, and education is really the portal or the gateway that opens you up into the universe of what the community offers, the benefits with trading with others.

So, it's a bunch of people around the world that join in every single morning from 9:00 to 11:00 A.M. Eastern, and we trade the financial markets together. And with today's volatility and a Donald Trump tweet away, 140 characters at a time, there's a lot of volatility there that creates opportunity. And I've been in the industry for a very long time as well.

Eric: And how long have you been running TRADEPRO Academy?

George: I started the business in 2012. So, I was working as a trader at a big bank, and I went to write my CFA exam, and I failed. And that's probably one of the best feedbacks I've ever had. I'm a big believer of, there's no failure, only feedback. Since then, I decided I'm really passionate about helping others. So, rather than trying to fit in the square that's kind of been molded for me, I went out and created the business.

Eric: Nice. We connected last year when you collaborated with us on a blog post. And at that point, you migrated your TRADEPRO Academy business over to MemberMouse from something else. So, how have things been going just on the technical aspects of running the business since you switched over?

George: It's gone incredibly well. I remember the story that we kind of shared with the migration over to MemberMouse. There was a big hassle with the other provider I was having. I made the switch over, and I haven't had any sleepless nights. I haven't had to worry about the membership platform, which is great. I think that's one of the good features of using a software, is that you don't need to worry about it. You know that it's doing its job behind the scenes. Our business has scaled and grown tremendously since then, so we really had an opportunity to reach more clients. We've hit all of our revenue goals beyond our wildest imagination, and so it's gone really well, and we're very confident and assured that it's just memberships running on the background. It's done everything it's supposed to.

Eric: That's great. You already deal with enough volatility in your day to day business. You don't want your software to be volatile as well.

George: Exactly, yeah. Save the volatility for the markets, right?

Eric: Exactly. So, you mentioned financial freedom in your prologue there about what you do. What does that mean to you?

George: So, financial freedom is essentially being free from having to worry about what you would do in exchange for money. Rather, if you had an abundance and a never-ending supply of cash, how would life look like? And really, that's sort of what we target with our business, the ability to work. Because I mean, when we trade, it's not a job trading that you trade time for money. What you're doing essentially is you're working a shorter period of time, but it's more psychological and more dense. So, within that two hours, you're able to really generate the kind of income to be a full-time job and do anything else you like. So, a lot of our traders actually trade in the morning and then have something else that they do on the side just to keep themselves busy.

Eric: Cool, and I actually do have a number of other questions regarding that, but I'll save them for later.

George: Please, yeah. Any time.

Eric: Why don't we get into a little bit about how you structured your offering on your site and how you approach this? Things like membership levels you're using, catalogs of courses you're offering, daily content, etcetera.

George: So, the way our website and our business is set up is that we have courses in the portal that are access blocked. So, we sell three membership levels in increasing value. One of them is called Swing Trader, one is called Pro Trader, one is Elite. And with each membership, you have a different dashboard, and this is one of the things that I wasn't aware of that we implemented probably about six, seven months ago that was really game changing. That every membership level could have its own dashboard.

I know you guys do a lot of great work writing these support tutorials. And then I read it every time and I say, "Wow. I totally forgot that that was a feature." So, we've implemented their own dashboard with the videos. Everyone gets their own access to it. And in addition to the courses, they have access to the morning webinars. The way we've structured our product is the course delivery is all automated. They go through each lesson when they mark it complete. We also use a learning management system that ties in with MemberMouse. So, as they go through and complete the courses, they gain the understanding that they need to really ultimately come into the trading room and trade together with their community and earn money consistently.

Eric: Nice. You're doing the membership site, you're building and growing in that. But you're also continuing to work as a trader actively, correct? You do trading every day?

George: Yeah, absolutely. That's been a tightrope to walk. I remember I gave an analogy, it's like I'm going to tightrope over Niagara Falls with bricks on my back.

Eric: Why is that?

George: So, here's the thing. I trade personally on a daily basis, and I have traded personally since 2001, almost every day since then. For me it's important, first of all, to be involved in the market, to understand it if you're going to teach it. And also, I love the challenge that it brings. On a daily basis, I'm trading. I am trading these days, admittedly smaller than I used to before having the business. Because at the end of the day, if you're in a really big trade and members have questions, it's harder to prioritize a member question when you have a lot of size on. I'm just being straight up and honest.

Eric: Yeah, totally.

George: So, I really had to decrease the size of my trades to the level that it would allow me to sort of serve both mandates, one being the trader and one also being the educator. And I found that actually was really good. It took the stress load off of me on the trading front, and it allowed me to answer other members, through which it allows me to learn too, right? They say if you can't teach something, you don't really know it.

Eric: Right.

George: And I really got to experience that paradigm through running the business and trading at the same time.

Eric: So, the tightrope aspect of it is the fact that your job as trading is actually the content of your membership. People are watching that live.

George: Exactly, that's the unique aspect of it, yeah.

Eric: Interesting, yeah.

George: Is that we're creating the content as we go. So, the content piece is the access to the room, but also, it's not content that you have to preplan ahead of time. We're lucky enough, we create a lot of content. Our team at TRADEPRO Academy probably spends a collective about three to three and a half hours a day creating content. But the lucky aspect of that is the content pretty much creates itself. It's all news cycle driven.

Eric: Right.

George: And there's two types of content we like to create. That which is driven by the news cycle on a daily basis that would help traders. And then also the type that's educational, that's evergreen and will be just as relevant five years from now as it is today.

Eric: Something that seems interesting to me to ask you, I did a little bit of trading way back. I quickly realized it wasn't something that I was interested enough in to dive as deep as you need to in order to do it. But I had enough experience in it to recognize that there are some similarities between running a business and trading. Mainly, one of the tie points I feel is you have to get a sense of the market. And your decisions and how you react and the things you choose to do is dependent on this kind of ocean of waves that you can't predict and you can't control going on. In the markets, it's whatever is happening in the markets. And then in your business, it's listening to your customers, paying attention to how they're responding to what you put out there, things like that.

George: That's spot on. In fact, a good trader is a business owner. This is sort of the values that we drive home to a lot of our clients. We found that since we started focusing on a smaller business mindset clientele, or reaching out or appealing to people who are entrepreneurial and understand the relationship between value, risk, and reward, we really found that we've created more successful traders as a result. At TRADEPRO Academy, we always had this discussion with our team. Our number one goal, yes, the revenue is great so we can continue to sustain and give back, create more content. But more importantly, it's how many people succeed.

If they take a course and we make the revenue, and they drop off the face of the planet and they haven't done well, we believe that we've failed them. That's a really interesting dynamic, is that trading is like running a business. I always tell our traders that if you try to focus on finding out where the market is going to go, it tends to lead to disaster. That's more of an ego satisfaction than it is a skillset for a trader.

Eric: Right, that's like predicting.

George: Exactly. Yeah, in fact, you don't really need to know where the market is going to go to make money. What you need to do is assess the real time and execute, and that's where it's so similar to business. There's no destination, it's all about the journey.

Eric: And I think that you're in a unique position to reflect back to us kind of how some of the tools within our platform have helped you. For example, reporting. I think that you've been doing this since 2001. You basically, like you say, you're not doing predictive activities. You're looking at data. You're able to read it in a certain way and then react based on that data. And I know that you've had some interesting experience in terms of utilizing our advance reporting suite to guide decisions that you've made in your business. So, can you talk a little bit about that?

George: Yeah, absolutely. I mean, first and foremost, I got to mention this from the bottom of my heart, because I wish I started with MemberMouse in the very beginning. Because at the beginning part of the inception of our business, the challenge was the technology aspect. Running a membership site, having a portal to deliver all this content is where a lot of the

challenge was. And ever since we did the switch, it's been effortless. We've been able to focus more on our business. So, that's been very important to us, so I thank you guys for that and for the work you do.

Eric: Of course.

George: And more importantly, it's about diving deeper into what you have. Like a trade, you can look at it on a surface level and then sometimes you get a little more time to do some research and you have an epiphany moment. That's what happened for us. We were actually using the advanced reporting suite. We have quarterly meetings with our entire team where I invite the whole team to meet together, strategize, and plan what the next quarter is going to be like. And we were going through MemberMouse and we saw the reporting suite.

So, we clicked the reporting suite tool and we were looking on there and we said, "Look, we have all these ideas of what we think our clients want and what we think they need. But the information is right there of what they're actually doing. And that in itself is more valuable than anything we could think of because it's a touchpoint for us with our customer." So, in the reporting suite, we found one aspect of it, that was LTCV. I remember one of my team members asked, "What is LTCV?" And we were talking about the lifetime client value. And I explained it to them and we're like, "That's pretty low. Considering our membership is on a monthly basis, which is unique in our industry."

Eric: Right.

George: A lot of people charge course money upfront, \$10,000, \$15,000. We charge lower amounts so people can have a chance and use that money to trade in the market. So, we're looking at it.

Eric: Yeah.

George: And we're saying, "Look, our membership value is around \$200 on average across the three membership levels. The lifetime client value should be way more." And at the time, that quarterly meeting, we were actually thinking about how to get more members, how to increase our reach, right? Everything that a business owner thinks about. How do I get more people? How do I reach a bigger market? But really, what the lifetime client value was telling us is spend more time with the clients you got. Because we know the acquisition cost is so high to get a new client, the 80/20 rule. 80% of your business comes from 20% of your clients.

So, through that LTCV tool, that one little simple thing, and there's so much more in the advanced reporting that we use today. But through that, we're able to say, "Let's strategize. How do we actually reach our current clients?" I'm happy to say that that happened in the first quarter of 2019 of this year. And to this day, we've tripled our revenue. Our lifetime client value has doubled and we created on the learnings of getting to know our customers, a funnel that's generated \$150,000 of passive revenue.

Eric: That's awesome. Two follow-up questions on that.

George: Yeah.

Eric: So, the first is, you kind of talked about the decision between focusing on current clients and acquiring new clients, and I think that this is a common thing that businesses struggle with. You always feel like the way to grow is by getting new clients in the door.

George: Exactly.

Eric: But the thing is, if your current clients are not being 100% satisfied, they're going to drop off, right? They're going to leave maybe after the second month, let's say. Now, you can keep pouring new people into that funnel, but you're still going to have the problem because you're ultimately not satisfying people enough that they stay with you longer.

George: Right.

Eric: However, if you crack the nut where you get people to stay with you longer, now any additional people that join are that much more valuable to you. You were talking about lifetime customer value. The higher that is, the more beneficial it is whenever you get a new client on board. And if you're doing a good job with lifetime customer value, it's a metric, it's a data point. But what it's saying is you're satisfying the customer. And if you satisfy the customer, they get what they need. And if they get what they need, they'll be telling people about it more likely, and all sorts of other good things like that.

George: Yeah, I absolutely agree with that. That's been the shift in our thinking in our business. We're so focused on helping our customers, and to be able to quantify that with a tool like the reporting suite was helpful for us because now we have a benchmark. And at the end of the day, when the team and I were discussing the conversation was, "We're doing a good job opening the front door and getting new people coming in. But the back door is open, and they're walking out."

Eric: Right.

George: It's more of a balance on, how do we close that back door and how do we work on our pool? It's less costly to service the current clients. And in our business, the longer they stay, the better chance they have to succeed. So, I told the team, "We owe it to them to boost the lifetime client value."

Eric: Okay, so it's certainly one aspect to see the data and to know, okay, this is our lifetime customer value. But then it's just a number, right? Then the question is, how do we increase that? And that's really where the personality and the values of you as a business owner and your team come into play in how you're going to address that. So, what did you guys end up

doing and deciding how you were going to get people to stick around longer and increase the value?

George: Then the information is as useful as what you create with it, right? We sat down, we had a brainstorming session and we said, "Look, what is the reason that the lifetime client value is low? What is the reason people are leaving? Because that's what they're telling us, they're leaving quickly." And we identified that we needed to create a process where at the beginning, when we open the relationship with our traders or customers, we actually did an onboarding call with them to show them, here's the website. Here's how to use it.

We have a lot of content. Sometimes it's a little bit of an overwhelm. In an industry where it's really marketed to people, here's an indicator. Overnight, tomorrow you're going to wake up and you could buy a red and a blue Ferrari. And what we do is, it's totally different. It's the real, the raw. It takes time, three to six months. So, really what we started doing was, let's start an onboarding call process. We started as a pilot for four weeks, and it's ongoing to this day. As I left the office to do this podcast, Azalia, our customer support manager, was on the call with one of the members.

That's actually one of the big things, our clients have told us, "Hey, being able to know what I have to go through and in what process, and to know who is going to help me out. Those three things have really set the path clear for me." And we've seen the retention rate go up as a result. In addition to that, that snowballs because now you get to talk to every client. And when you get to talk to every client, you got your tentacles out and you're in touch with them. You know their issues.

Eric: Right.

George: You no longer have to guess. We were hearing our clients say, "This education is great online, but I'm an in-person learner." So, what we ended up doing is we created an in person educational workshop. If we never had an onboarding conversation with them, who knows when we would've come into that opportunity.

Eric: Right.

George: And it was a tremendous success. We had 12 spots, they were priced at \$5000 each and they sold within 24 hours. So, it was a really good revenue driver.

Eric: Wow, that's amazing. What were more of the things that came out of that experience in terms of, from your side and from the customers' side, the people who actually attended?

George: The customers were able to better understand the information. They got more of the hands on. At the end of the day, if I had to sum it up in one sentence, we gave them what they came looking for. And if we didn't have that info, we maybe would've missed it. It created a lot of opportunity for us. We got to meet with them face to face. They gave us an understanding of

who our customer and target market is. The shift actually happened in our first workshop. So, when we had the first workshop, we sold it out very quickly. And when everyone arrived in front of the room on day one, we were going around the room asking people, "What do you do?" And we were, I wouldn't say shocked, but delightfully surprised that the majority of them were actually business for self.

They were either into development of real estate, or many different type of jobs that allowed them to just work for themselves. So, we said, "Look, we were targeting the wrong client the whole team. The people who want to trade are the people who want to do stuff on their own." And a light bulb went on, and that really shifted our business strategy and driven a lot of the revenue this year.

Eric: You ended up switching some of your marketing then, as a result of this?

George: Yeah. Actually, what we did was actually our pricing product before was much lower. And knowing that we're appealing to a customer base that's more advanced, and at the end of the day we know that we needed to provide a little bit more hands on and more support. We kind of adjust for that and we raise the prices to appeal to the certain target client. And from there, we really changed our approach. The marketing, the language on the website, the services we rolled out. And we've been able to attract a lot of the clients. And the best part is, we have a much higher conversion of a new client to a potentially successful trader. They're becoming successful traders at higher percentages, which is beautiful.

Eric: The kind of overarching theme here is that you're focusing a lot more on building the relationship. You're of course extracting things out of that relationship that helps you guide your decisions, but I think one of the primary impacts is that somebody signs up with you. I think when people sign up with anything, any service, any educational tool that they think is going to help them accomplish something.

George: Right.

Eric: They're putting their faith in you, and they may have their doubts about whether or not it's going to work. And those doubts can ultimately lead to them bailing. But if right at the point when they join you, you reach out and you start actively building that relationship, in your case through onboarding calls.

George: Absolutely.

Eric: You can relieve a lot of that pressure and stress on them. They're like, "Okay, I'm in good hands." Because a lot of times, people have patience. They generally know that things take time to grow. But if they don't have that one on one human connection, their expectations become unreasonable. They feel like oh, I should've gotten something. But they're looking for it in the wrong place. They're looking for it in terms of having gotten the results that they signed up with you to get.

George: Absolutely.

Eric: But if they meet you and they're like, "Okay, I'm in good hands." Then they're like, "Okay, I know that this is going to take work, and I'm in it."

George: I think that's the key right there, is the relationship word. At the end of the day, if you build a strong relationship, people are willing to grow with you, right? And that's what we've discovered. And focusing on the relationship has had a lot more of a return. Because we get into business and we tend to think, business owners, if we do the right work we'll get the revenue. We're all revenue focused. But at the end of the day, the more important R word is the relationship. That's what drives the revenue in. If you're able to give more value, then you're going to obviously receive more revenue. So, we're always value focused in building relationships.

Eric: That makes a lot of sense. This next section that I have to look at is education versus community. And it kind of touches on what we were just talking about in regard to relationship a little bit, but you might have a different perspective on it. I remember earlier you said when you started off with TRADEPRO Academy, you envisioned that you were creating an education business. But after doing this for so long, you've realized that you're in a community business. Can you talk a little bit about this and how this realization came about? How does it actually play out in your business?

George: Yeah, absolutely. It was a very profound one. It doesn't boil down really to one experience. It was a bit of an evolution. The way we really discovered that we're in the community business is that in our world, in trading, you can know every single thing there is in the world, but there's a difference between an analyst and a trader. And the analyst is the person who puts together the opinion and the report and then submits it, and at the end of the day, they don't click that trigger to commit their capital to that position. And the trader is who does that.

So, really, understanding that the education in trading, I would almost even venture to say that in most businesses, knowing the what is important, but it's the how that's more important. How to apply it. And so, we had a lot of our customers asking us, this education is great. They're asking a lot of follow-up questions. And we didn't have a trading room at the time, so it was just an education. You purchase the course and you're done with it.

The benefits for the business was that we didn't really have to do anything more than just answering questions for the course. And the downside for it was, we had very short relationships with our clients. They'd take the course and they would leave. And then when we followed up with them, they weren't really successful at trading, which to me is the whole goal of the business. Revenue is second, customer success was first. And when the community started to open up, we opened up a trading room one day. I invited a few of them and it was a hit.

Everyone started showing up, started discussing. And I found out that it's more important to new people starting out to have questions in real time rather than going through the material at home. It's more important to apply the information as you see it happen, because that's 100% of what we do as traders. It's using all the skillset you have and making a big decision at the snap of your fingers. There's a saying in aviation. I don't know if you've ever looked at being a pilot. I've tried a few times. They don't think I'm safe enough. I take too much risk. There's a saying that a pilot's life is long moments of boredom followed by short moments of sheer terror.

Trading is a very similar industry, and it's long moments of analysis. You're doing nothing. The trade comes, and you have to react very quickly. And that's where the community aspect came in. It was more of a need for our team. And the beauty of the community is that you get to interact with them on a daily basis. I would say that of the last, just thinking off the top here, of the last six or seven major implementations that we made to our business, probably one of them, two at most, were things we came up with. And the rest of it is what the community asked for. And I think it's really given us a lot of touchpoints with them. It's almost like the communities develop their business with us. They're like a stakeholder of it. They are a stakeholder.

Eric: Which is what you want, because ultimately these are the people who are buying your product or service. And so, if you don't know what they want, then what you're trying to do is predict the market.

George: Absolutely, 100%. And since we allowed them to have that voice and that input, it's developed the community more and it's increased the retention rate, lifetime client value, and the success rate of the people in the community. Because there's something to be said for joining a place, a community where you could obviously take value from it and learn, but also to give back. I always tell our traders, "There's someone you can learn from, and always someone you can teach. And as long as you try to do both, you're going to get the full impact of it." It's been beautiful since the community has been developing.

Eric: Yeah, that makes a lot of sense. You've had this really long relationship with the markets. You said you've been doing it since 2001, right?

George: Right.

Eric: Daily, right? So, pretty much every day, you're looking at the markets. So, I don't know exactly how to frame this question, but I'm just wondering, given that you've been looking at it for so long, I know in things that I've been in relationship with for long times, there become a sense or feeling and a lot of lessons that come from those things that I've been in a relationship with.

George: Right.

Eric: And I'm just wondering for you, what are some of the things that you've learned through the experience of following those markets? And have there been any surprises in terms of other areas that it spilled over to into your life?

George: Yeah, that's phenomenal. We had that discussion in the community today. I had it very openly with our team. I've been trading for long enough that sometimes, and I say this with the most humble sense of this meaning. Sometimes I skim over things that I feel people will understand. What was that? The conscious of your unconscious competence. They ask me the questions and I break it down for them, and I spend more time on the basics, which helps me develop.

So, one of the big spillover effects in trading for me, it's taking me through a crazy journey. It's been a beautiful journey. Crazy is not the right word for it. I've really learned how to give up the ego of the self, and how to really focus more on everything else. Because the market is a terrible place to approach with an ego. The truth is, she doesn't care about you, and she'll laugh at you. She'll take your money and laugh at you. And if you approach it from a sense that, let's strip what my thoughts are. Let me look for an external source of information. It's very helpful.

Another aspect that it's really helping with is my psychology. Everything we've sort of been taught as humans to survive is counterintuitive to what we actually need to trade. I remember going to California to take a course on NLP, neuro-linguistic programming. That's really changed my life, to be able to access the programming I've written in my unconscious mind and unbox it. And to be able to look at it with a clear lens and say, "Hey, look. Is this serving me or not?" I think that's been one of the most beneficial things to me in my life, is that trading has really helped me become a better person.

A better trader, as a result of focusing on my psychology, but more importantly better relationships with my family, my friends, with my wife. She's also NLP certified. I think that's one of the best things to come out of it, and we actually teach the NLP course geared towards traders at TRADEPRO Academy. It's one of the student favorites.

Eric: You mentioned that there's the analysis part of being a trader, and then there's the actual trade part, and the analysis is much longer. Now, which part does the ego get in the way the most? Which part of the phase does it get in the way the most?

George: The ego really steps in trying to get you to do the thing that will make you right. So, I'll give you an example, because this is really better served with an example. You have a trade. You purchase a company in one of the S&P 500, let's say Apple, and Donald Trump starts a trade war with China. And rather than say, "Hey, this is going to affect my Apple shares because they sell iPhones in China." You say, "Well, I got to be right. I bought Apple. I'm not going to let go of this investment because I have a small loss. I need to make it back. So, let me look for sources that confirm my information." So, really, the ego triggers a lot of things to get you to be

right. But being right often means you're losing money. So, I ask a lot of our traders, "Do you want to be right or do you want to make money?"

Eric: That's a tricky thing though, because even to get to the point where you can come to the decision of whether you're right or not takes experience. For example, you say your analysis is, okay, I bought Apple. And then Donald Trump does this thing, and immediately your mind understands that there's a correlation between China and Apple. But I wouldn't have known that.

George: Yeah.

Eric: I wouldn't have made that leap. So, therefore, it wouldn't even have come to the point of being right with me.

George: Right.

Eric: I would've just been blind.

George: And that's a great point, and that's why at the beginning of the journey, we really stress to our traders that, "Hey, look. The way this industry is marketed, it's to separate you from the money. You have to really question where you're at, what the loyalty is toward you as a customer." And for us, we tell our traders, "It's a three to six-month journey to understand all this information. So, you're going to understand the correlations, what everything means." And you're spot on. At the beginning, you don't know if you're right or wrong. You know that you have good intention and you're giving it your best shot. As you start to experience the journey, there comes a point where you know based on the information and what you're seeing that what you're doing is wrong. But rather than taking a small loss, you defend that ego by putting more money.

Eric: Right.

George: And there's a saying in the business, "You're throwing good money after bad." And I think that's where a lot of traders have a challenge. Our business comes down to one thing. It's all about risk management. When you get in the industry, everyone wants to make a lot of money. But really, you make money as a result of how good of a risk manager you are. And it's taking an opposite view, once again, that really helps.

Eric: Right. A penny saved is a penny earned, basically. It's the small things over time. Sure, the lottery wins of trades can come maybe, but it's the consistency over time that ultimately makes you successful.

George: That's beautiful, I love that. The lottery of wins. Because the Robert Collier quote, I believe, is "Success is a sum of small efforts." And really, that's what we preach there. We're not looking for runaway winners. We're looking to take small winning positions, do it

consistently, and to treat it like a business. Because treat it like a casino, it'll treat you like a casino customer.

Eric: Exactly. How do you deal with information and data? Because there's, in kind of the school or the academic sense, you say, "Information is something I can trust. This data is something I can trust." But in the real world, that's not entirely the case. Not all information is accurate, factual, and relevant to what you're doing. But it's, in a lot of cases, presented that way.

George: Right.

Eric: Especially with news and all this other stuff. You mentioned that when it comes to doing a trade, the facts play a role. The facts, and based on your experience, combined with your experience, tell you whether you're right or wrong. But obviously if you can't completely trust the facts and the information, then how do you even move forward with that?

George: That's a fantastic area that we can definitely take a deeper dive. We have to go back a little bit and unpack what investing used to be. Investing used to be a portfolio approach where you could put 60% of equities, 40% bonds. The news cycles were... there weren't as many of them. They weren't as dense. You'd have quarterly reports that come out that judge the company's earnings. It was for the most part plain vanilla. It wasn't, since the election of Donald Trump and how he puts a lot of this policy on Twitter, it's really created a lot of volatility. And so, investors who traditionally would sit through this volatility are feeling it more often and saying, "Hey, look, there's an opportunity for us to be more active."

So, even the investor that stays the course is starting to see and say, "Hey, there's going to be a little bit more opportunity." So, this information that comes out, there's two types of information in our business. The first type is scheduled information, where every trader and every person knows that they should be watching the screen at this time. And that information tends to make less movement, less opportunity, because everyone is expecting it. And unless there's a big deviation, it'll pretty much stay on course.

The real information that moves the market is information that comes out of nowhere, that nobody expected. When you look at it as a raw dataset of information, how it'll impact the market. By the time as traders we decide, how is it going to impact the market? A lot of the times, we'll miss the move. As crazy as this sounds, we look at the move that's happening and we jump on the momentum, sometimes not understanding completely what the information is. Because here's the interesting part, it's really not the information that's released that's important. It's what people's interpretation of the information is.

I've seen news reports come out that have been very bullish, meaning stocks should go up and the market sells off. And it's not that the news itself was bad, it's just the market expected more. If you look at Beyond the Meat, for example, as a company, just a couple days ago they had a great quarter of sales. The company dropped below \$100 and had a 20% drop, and everyone is scratching their head. It wasn't that the information was bad. There was just more

that was expected. So, I guess to sum all of this up, you've got to look at the information, assess it, and understand that at the end of the day, the market will tell you what it thinks of it and you just have to trade it. More so trade what you see than forecast.

Eric: And from a trader's perspective, do you put a polarization on types of opportunity? For example, you talk about the volatility can get in the market, which essentially is people responding to information and you become herd mentality, and people are going crazy. And it's a storm rather than some natural bloom of a flower. The storm and the bloom are both types of opportunity, but are you an equal opportunity person? Do you take anyone, or does it matter?

George: In terms of the opportunity, it really depends on what the market is expecting. One of the exercises and challenges that I have for myself personally, but everyone else as well, is to always think about what's priced into this market at the moment. So, if you pull up a quote, I mean, this goes for anything in the business. If you have any product in your hand and you look at it, there's a cost to that product. And if you just look at that product and ask yourself, what is contributing to the costs? What makes this worth X amount of dollars? And that tells you the information at the moment that's been priced, in the price to that product at such price.

So, what we're looking for as traders is any new information that could upset the pricing model that's existent, which is what creates the most amount of opportunity. There's some reports that will come out or some news information sources that really wiggle it a bit, but not as important. And there's things that will change the fundamental valuation at any given moment. And what creates the opportunity is, this is the way I think of it. If I was a trader, or not a trader, because we trade within the day. We start with cash, make some trades, end with cash.

But if I was an investor like Warren Buffet and I had stock that I'm holding forever. His favorite quote is, "My favorite holding time is forever." He wants to die owning the shares, and that's a value investing model. So, you own the shares for a long time. The question is, will he be worried? If he heard this report, would Warren Buffet think about it twice and look a little bit deeper? And the real big opportunities are when people like Warren Buffet, down to the people who trade for a couple of weeks at a time, down to the people who trade for a couple hours at a time. If all of them get impacted at the same time, there's going to be a big move. Because at the end of the day, volatility is simply investors, traders with an asset that decide that they want to reposition their holdings. That's what creates opportunity.

Eric: I imagine that personality has a lot to do with which level of volatility somebody wants to work with, right? Because a trader is exposing themselves, because you're dealing with such small timeframes, hours instead of weeks instead of years. You have to respond to the smallest indication where somebody like Warren Buffet, there's probably a lot of things he can ignore if you're a value holder because things come and go. There are natural cycles. So, I'm guessing that there's a certain personality type that will do well with trading and won't do well with trading.

George: Yeah, that's correct. I think the personality type boils down to a little bit of your value set, your value system and what you believe in. And I think from experience, the traders who come in with an opportunity mindset tend to have a little bit more success. Because those are, again, the entrepreneurs who value opportunity. I find that the ones who have a value as a safety tend to have a little bit more trouble because what they're doing is counterintuitive to their value system of safety.

Eric: Like you were saying about being a pilot, you're not risk averse enough to be a pilot.

George: Exactly, yeah.

Eric: You're plenty risk averse enough to be a trader.

George: Exactly, yeah.

Eric: There's inherently more riskiness in the proposition.

George: Absolutely. If you see me as a pilot on your next flight wherever you're going, Eric, run. Turn away. Do not board. I'm probably going to be trading while I'm flying the plane. There's definitely some appetite for risk that's helpful. We have helped a lot of traders turn it around, even those who didn't think it was for them. It's one of those things you kind of got to try out. And I mean, for me, investing, I think everyone should invest in the short and the long-term. Should everyone be a day trader? It's not for everyone. But a lot of people are surprised, so it's worth a shot.

Eric: Okay, so what is the relationship between risk and ego then?

George: Interesting. Eric, I've never been asked that question. I have thought about it though. Ego is, to me ego, and to our environment, trading, is not being able to accept when you're wrong.

Eric: Right.

George: So, there's times when you get in the trade and a lot of the times, before the value of something falls greatly, there are enough signs for your subconscious mind to give you that little voice in the back of your head that says, "You're wrong. You got in this trade and you're wrong." What ends up happening is, most people turn that voice off and say, "No, be quiet. You're back there for a reason." And end up buying more of it. And what ends up happening is, the stock creator falls in value. And the fact that the loss has happened causes a lot of emotionality not because it's a lot of capital, that's one thing. More importantly, it's that you didn't listen to that voice. There was a trigger or an alarm for you.

Eric: Right.

George: And I think the ego is the part that steps up and says, "Even though you know you're wrong, keep doing what you're doing. We're going to get out of this together. Let's win. Let's take a W and forget about the cap." I think that's very, very dangerous to me in trading and everything else. Being able to admit you're wrong and let go is something that makes you a great trader, has made me a good human being. And in all honesty, we're not taught that. We're not taught how to accept being wrong as well as we could be in today's society.

Eric: That's what I'm getting at. The picture that I have in my head is, okay, I'm going to go bungee jumping off of a thing down to a riverbed or something. The ground is approaching and all that. So, you step up to the platform and you're going to jump off this thing now. There's all sorts of voices that are going to be going on inside your head.

George: Right.

Eric: One of them is going to say, "Don't do this. You're a freaking idiot." Another one is going to be like, "You got this. It means a lot to you," etcetera, etcetera. What perspective is determining the risk? Because one, it could be the risk of not jumping is then it damages something. The risk of jumping is that it also could damage something.

George: Right.

Eric: That's what I'm trying to get at.

George: Yeah. I'm picking up exactly that point that we're getting to. To best explain this, I'll say that risk in trading is not the actual trading itself. I think the risk is self-imposed. We make it risky through the desire to make a certain return quickly. We put extra pressure on our self at the beginning especially, where at the beginning I tell a lot of our traders, "Just settle down."

At the beginning they say, "Hey, I haven't made any money. It's a week in." The goal is not to make money. The goal at this point is to learn. The learning is a foundation on top of which you're going to build the money, and I think risk is an element that we put into it. In fact, good trading has the least risk. Here's a good analogy that I wanted to share. You know that when you eat a chicken breast, you could get salmonella poisoning and die. But I don't think anyone has ever thought about that the last time they ate a chicken breast, let's be honest. The thing is, there's a chance of it. There's a probability. There's a statistical probability. In trading, before you get into your trading position, you can calculate your risk. So, I think it's not that the risk is what scares people, it's that they ignore the risk elsewhere. And in this business, it's so apparent, and we're not taught with how to deal with risk. I think that's where the problem happens.

Eric: It's interesting. As I hear you talk about trade, it's almost like it's a compressed crash course of starting any business.

George: Absolutely.

Eric: You experience all the ups and downs of what you experience when you start and run a business. When you start and run a business, you're a value investor, so you experience over the year timeframe. But in your case, you experience over a day. You can't invest anything that you're not willing to lose essentially. And you're saying the risk come from the fact that you have the fear of losing it.

George: Exactly.

Eric: That's the risk. If you want to make intelligent decisions, you can't be guided by emotion.

George: Right.

Eric: You can't be guided by the ego. You need to be able to look at everything available to you, all the data, all the analysis. But there's also that special sauce. There's the intuition, there's the experience that guides you, a feeling for the market.

George: Yeah, and I think that forms with enough experience. I think as you watch markets long enough, you begin to develop that intuition. And when new traders start out, one of the most important parts is to journal. And I think in any journey, being self-reflective is very important for progress. And in business, when you look at starting a business, and for people who don't value entrepreneurship as high, they think we're nuts for wanting to start a business. And as we start to gain success, you get some of the admiration, you get the success, you get the clients doing well.

You go through these complex emotions in the journey of starting a business from scratch to building it up, to generate the kind of revenue you want. That happens every day in every single trade. So, you're just living that cycle much quicker, so much quicker that you become used to it. And then now you start to manage risk.

Eric: Right.

George: It's a very unique industry, but I think trading and being involved financially in markets, the emotions you experience really allow you to learn about yourself, to be reflective.

Eric: I think if we were going to start an entrepreneurship academy or university, I feel like trading would be one of the courses to take to experience the kinds of things that you're going to experience in the business. And be able to play with it and work with it in short timeframes.

George: Absolutely. And if there was a business course anywhere, a business textbook, you take that thing, bring it over to our industry. We just have to scratch out some of the terms, and it's the exact same thing. We're building plans. We're learning about risk, learning how to scale, how to communicate with yourself and your trading history. One thing that it's the closest to, trading, is business 100%, and I love it.

Eric: Yeah, and it's your relationship with money too. So, many people get caught up in just their relationship to money. We all grow up in different ways in relationship to it. And when it comes to starting a business or making a living, our relationship to it can end up being the thing that stands in our way of success. And that has to be worked out, and there's no way to work it out other than putting yourself out there and working with it.

George: That's such an important concept. And if we have a minute, I could give you a quick little story on my journey through a relationship of money.

Eric: Yeah.

George: So, my parents immigrated to Canada in 1993 from Europe, from Bulgaria. So, to me, I was seven years old at the time. I was a young kid in a new world. Everything that I learned about money, the human mind is a ball of clay until you're seven years old. You're literally absorbing all your values from your parents, and then you look outward. And so, the values I had around money was, the belief set I had built was number one, you have to work hard for money.

Number two, somebody has got to give you the opportunity. And I love my parents to death. Without them, this opportunity wouldn't have been here. I would've still probably been in Bulgaria. But having to overcome those values were one of the hardest parts for me for trading. If you have a relationship with money that if you believe money is something that does harm, etcetera. If you don't see it as an opportunity or a tool to build something with, it's going to be really hard to trade. And I think that's where the psychology course that we've developed aims to help people, is that relationship to money is super important. So, for me to overcome that, I almost had to personally develop before I even stepped beside the trading computer.

Eric: The real value was that journey. Like you said, it's not about the result or whatever, it's the journey. Going from the one pole to the other.

George: Yes.

Eric: Because for somebody who grew up in the opposite situation, where money was just always available and opportunity was always there, it doesn't mean they're going to be a good trader. In fact, they might be the worst trader ever and lose so much money, and never create any value for anybody. But if they were able to start with that situation and be like, "You know what? It would be worth it for me to feel what it would feel like to not have money. I'm going to put myself through a set of circumstances where I'm destitute, and I have to rely on other people."

George: Right.

Eric: Then there's real journey and real transformation, and they could become more whole as a result of that. The fact that you started in one place and you went to the other allows for this full cycle wholeness of how you approach it.

George: Absolutely. And I think at the end of the day, that's business and life as a whole, right? We start at a certain level and we make progress. And for everyone that's different, and the beautiful thing about the community aspect is that you get to experience everyone's journey. It's really unique, and that's what I love about the community I think every business should build, is that you get to experience journeys from people and take learnings from them that you may never get to go on yourself. And I really think that's a beautiful moment about it, yeah.

Eric: To add onto that, it's beautiful to be able to participate in it, and it's beautiful to be given the opportunity like you have been given, because you chose it, to be able to offer some guidance for those people.

George: Absolutely. For me, I go in the trading room and I help all of our traders out. I tell a lot of the guys on a daily basis and the ladies that are in there, we have our TRADEPRO La Femme team. I tell them, "Look, if you guys trade better than me today, you might think I take that as a negative. I'm so happy." There's people who have come in the room and say, "Hey, I've made X amount," or, "I did this many trades. I caught the price here." And I'm like, "Wow, you out traded me." I have a very happy moment, and I really feel that through this industry, through building the community, I'm really getting to live a life purpose. That's helpful for the nights where I'm in the office till 11:00 P.M. doing content, doing planning, right?

Eric: Yeah.

George: It's the fuel that guides me forward. I wouldn't change it.

Eric: Well that's beautiful, and I'm really happy for you that you've arrived at this place. It's not that you've arrived as if it's a static thing. It's continuing and...

George: Right.

Eric: Happy you're on this journey, and happy that MemberMouse and myself can play a part in supporting you in doing that. Getting to hear how you approach it and what you're actually doing, I feel really honored that we can support you in a small way.

George: Awesome, Eric. I appreciate that. And to reciprocate that, it's really enlightening to be able to use a membership platform where you don't have to worry about it every day. It's really good to just let me focus on helping our community and not have to worry about that. Because I've experienced the opposite, and really, I don't think it's a coincidence that after switching we've had a lot of growth. We used to spend hours on trying to figure things out, the tech aspect. So, thank you.

Eric: Traveling between opposites, always good things come from that.

George: Exactly, it's beautiful.

Eric: As we wrap up here, can you just share again with our listeners where they can learn more about you?

George: Yeah, absolutely. So, you can find us at www.tradeoproacademy.com. That's our website. We have a lot of the information about our different educational packages. Each one of them comes with a community aspect as well. Plus, we're there to help you through live chat. We go live on YouTube every morning. So, if you have a general interest in financial markets, it doesn't have to be that you trade as often as us, but if you just want to get caught up on the most important news every day at 9:00 A.M., we actually go on YouTube. We do a live update and we take all the media overnight. We digest it to a few actionable bits on what's moving markets, that's TRADEPRO Academy on YouTube. That's our channel name. We have a podcast coming up, which mentioning it here means that I'm going to have to do it. We just finished setting up the studio, so we're a little bit behind. But it's going to focus on the psychology of trading and the psychology of winning mindset, performance mindset. And I'm really excited about that.

Eric: I'm excited about that. If anything that we discussed here is a preview for that, obviously so many of these little things that we discussed for two minutes, there's so much depth to those things. And given your experience level...

George: Yeah, I'd love to unpack some of them.

Eric: It should be really interesting.

George: Thank you.

Eric: Thank you, George. Appreciate it.

George: All right, Eric. Thanks for having me on. Really appreciated the chat. Thanks again for everything you guys do at MemberMouse. Really love the product, and we stand by you guys 100%.

Eric: Our pleasure.

OUTRO:

Thank you so much for listening to this episode of The Subscription Entrepreneur Podcast.

I hope you're walking away feeling inspired to look for the opportunities available in your own life and business.

I'd also like to express my gratitude to George for sharing so freely from his experience.

To get links to all the resources we talked about in this episode, you can head on over to SubscriptionEntrepreneur.com/176.

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