SUBSCRIPTION ENTREPRENEUR

HOSTED BY ERIC TURNNESSEN, FOUNDER OF **member mouse**™

"The path of getting to six figures of revenue a year, which a lot people say that's a milestone that you aspire to, but a lot of people never actually get there. For me, the path there is very clear and direct. It's so easy and so straight forward."

INTRO: Today on the Subscription Entrepreneur podcast we're joined by Mitch Bowler. Mitch is the founder of pencilkings.com. A membership site that helps artists take their art and careers to the next level. Pencil Kings provides over 100 courses and trainings from world-class artists on a wide variety of topics ranging from composition and shading to portraiture and animation. Mitch started Pencil Kings back in 2010 based on his own experience as an artist trying to master his craft and earn a decent living. Since then he has grown pencil King's into a thriving community with over 8000 members. But it wasn't easy getting to that point. Mitch shares how he had to go through massive personal growth and transformation to get his business to the next level. In this episode he shares with us some great tips and strategies that really helped him break through obstacles, which ultimately, led him to multiplying his business profitability by 20x and maintaining a good work-life balance. I'm your host Eric Turnnessen.

Eric: Hey Mitch. Welcome to the show.

Mitch: Thanks Eric. Awesome to be here.

Eric: Great. To get started let's talk a little bit about pencilkings.com and what you've been doing there.

Mitch: Pencil Kings came out of me wanting to learn how to make money online or make money in my sleep I think where the journey started. I started with SEO and built up a very popular website. I think we were getting at the time something like 200,000 unique visitors a month. Then the Google algorithms hit and heavily rained on the parade there. I think about 70% of the income and traffic dried up in one day and I was never really able to recover from that - just the lack of information and general confusion at the time. Not that I was necessarily doing anything bad to cause that. I just got caught up in the algorithm change. From that I realized building a business that relies basically on one leg - if you can imagine a table with one leg it's not going to be very sturdy and that's essentially what I had. What I wanted to do was create a business that was more robust, that still helped the same audience of helping artists learn how to progress forward. Out of that came Pencil Kings where one of the big things was creating a recurring revenue model. That was very key and allowed us to survive while we were still figuring things out. The other thing was focusing on building an email list and a relationship with those people. Those two key elements were what we did to get started with Pencil King. Basically, the business is a membership site where I and the team has hired artists from all over the world - real experts to show us how they are able to create such amazing artwork and then put it into our content library so members inside can access it. Then overtime we built it into forums, chatroom, live events happening a couple times a week and other little workshops. There's really a lot happening inside the Pencil Kings community all the time.

Eric: Got it. Now, taking a step back, did you get into Pencil Kings because of a personal passion you had for art, or was there some other reason that you decided to settle on this type of site with these types of trainings?

Mitch: I've always been passionate about art. When I was seven years old the Nintendo Entertainment System, the original console, had been out for two years, so we didn't even have Super Nintendo yet. I heard this rumor that there was going to be a game coming out that would allow me to create my own video games. I knew then that I wanted to make video games since playing them was a lot of fun and I thought - why not turn that into a career? There was very little information about that field at the time, but I went on to work in Hollywood and visual effects on popular movies like X-Men, Superman Returns and a bunch of other ones. Eventually, I transitioned finally into video games and built a few art outsourcing studios over in China where I worked on a number of notable titles like Call of Duty, a Command and Conquer Series, and bunch of other ones. Out of that, as I was of moving forward, I also always had been interested in the internet ever since I was a kid in high school. That's where I actually learned about art was in chat rooms, in IRC (Internet Relay Chat) which, is sort of like Slack 1.0. Slack would be the 2.0 version of all that. We're going back quite a bit but, it's always been a part of what I want to do. Working creatively is one of the biggest challenges that someone could undertake because it's not easy and straightforward. The world needs beautiful things, but it's not always apparent. It's really hard to put a value on beauty and design, and things like that.

Eric: I was reflecting on that recently - about the dichotomy between passion and practicality. I find that one of the things with creative people is they sometimes have a resistance to the practical aspects. They may have a certain relationship with money and asking for money with their work. Is that something that you find as well with the people you are working with?

Mitch: Definitely. It's always a struggle and I'm no different. I classically under-charge for what I offer to people. You think you want to provide value, but you also forget that you have to feed yourself. If you can't support yourself then you can't provide value. There has to be a cycle or a loop that has to happen where you're able to provide for yourself. It's really easy to forget that when you're a creative person because you are so far leaning on one end of the spectrum. I like to describe this as a spectrum, whereas creatives we are one end, and accountants and bookkeeper are on the other. That's something, for me personally, I had to confront in the last 12 months or so to say that I need to be far better at numbers than I am at creating and building things.

Eric: I think creativity is not something that's relegated to artists. The creative process and why creative people have a challenge truly valuing their work is because it's a constant evolution. As soon as you've done one thing, you already know how it can be done better. So you're like - "this stinks what I just created because I know next time I'm going to improve it in this way." So, there can be a forgetting. What you just created is actually amazing and of great value. At the same time, you are going to improve the next time.

Mitch: Definitely. Somebody explained it to me once, and it's easy to forget to forget as a creative, but there's a time for sowing or planting. Then there's a time for harvesting. As creative people we are always planting seeds and creating new projects because that's just what we do. You actually have to take a step back and think - "if I'm going to support myself and continue on this journey, I need to harvest. I need to put effort and focus into reaping the rewards of the amazing thing I created and not just say that the next thing will be better." That cycle never ends. You can create endlessly.

Eric: If you are constantly sowing seeds in a field you're going to end up with a huge field full of stuff, but you're going to be starving in the corner because you're not eating anything.

Mitch: Exactly.

Eric: Is that something specifically on Pencil Kings that you get into with people and help them with?

Mitch: It's something that I want to get into more. Before, I didn't think there was a place for talking about finance. I'm definitely not an expert, but I think there are very simple truths when it comes to personal finance that anyone can get behind, like, people listening to this podcast can get behind just as much as an artist who is 17 years-old and just about to graduate next year. It will serve us all for the entirety of our lives if we're a little more aware of simple things. We don't have to be finance experts or a stock market wiz, but there are really simple thing that you can do to move yourself forward and make life a lot less difficult. There's not real reason that you need to keep smashing down brick walls with your forehead just because that is an option.

Eric: What are some of those things that you've come to learn yourself in the areas of personal finance, personal economy that have helped you out?

Mitch: The big one I actually learned when I was 19 and just starting to work as an artist in visual effects. I had this realization that I needed to keep myself poor, which sounds really weird. I was 19 years old. It was very fun to go and drink. That was still in college or just getting out of college partying and having a good time. I realized that if I went to the ATM machine and saw that I had a balance of $400 - was the magic number. If I had a balance of over $400 then I felt like I was rich. Not that I was buying cars or anything, but that I could spend freely. If I was under $400 than I was poor. When I was poor, I made a lot smarter decisions. There was a point where I basically went broke and that was the ultimate. When you realize you have almost a $0 bank account balance your priorities and what you spend your time on and what you spend your money on become insanely clear. You're not worried about - "hey which restaurant should we go to tonight?" That's no longer an option. This idea of figuring out where your financial temperature is, where you either feel like you can spend freely or you need to tighten the belt so-to-speak. That's a really important number to note. Here's what I figured out - when I got paid, I would take the money out of my checking account that I could see on the ATM machine balance and put that into a separate account so that became my Savings. I was always in a state of 'fake poverty'. I had a little bit that I could spend, but I didn't have a lot. I really had to be

choosy about what I would spend my money on. Fortunately, this is such a profound lesson. If anyone is feeling pinched financially you could start to look at your finances this way - where is that number and can I artificially keep myself under that number so I'm always saving money. The unfortunate part is when it came to running a business I totally forgot this lesson and only rediscovered it about nine months ago. It's made a world of difference in the financials for the business. Not that we're necessarily taking in more money, but we're using the money that we have available in much smarter ways.

Eric: I love this approach. Mainly because when I'm listening to it I hear that there are multiple things going on. One, you're identifying your personal strengths and weaknesses. You recognize as a weakness if I feel there is an abundance, I may not think as much or as intelligently about how I use those resources. It's kind of the same thing - if you know you have a proclivity to eat a whole bag of potato chips. The time to keep you from doing that is by not buying them at the store - to keep them out of your house. It's important to understand your own personal strengths and weaknesses and coming up with strategies to support you so your not testing yourself so much. It's not coming down to willpower when you're at that ATM machine and you see $500. If it comes down to willpower then you have to say "this isn't the right thing to do," but your mind comes up with a counter argument etc. I really appreciate your approach. I found for myself it is a personal evolution. When you can do things for yourself personally, you can then apply those to larger things with a larger scope, like a business. How did you end up detecting you were in that situation, identifying the weakness in the company and how did you end up addressing that?

Mitch: It really came from being plateaued for a long time and seeing all my entrepreneur friends that I have around me continuing to grow. I spoke with a good friend and I asked, "what do I do here in this situation?" I think he got tired of listening to me being stuck - and you really have to love the friends that can give you honest frank advice - he said the way he sees it is, I could sell the business, which I didn't want to do or, I would have to go all in. Because what I was doing was a middle ground and he thought I needed to focus. I really took it to heart and thought about it for a long time. Eight months had passed and I was trying to focus and go all in. I didn't want to sell the business, but it had relatively plateaued. Then I was thinking - if I've gone all in and it's still not working, maybe my mental models are wrong. Maybe the way I think is wrong. Maybe I've been doing everything wrong. Wrong maybe not the proper word. It could just be that for what I want to do it wasn't serving that purpose. I had to go back and challenge every decision and dramatically change my thought process about everything. So, I came up with a list of things. I didn't look at the business as the problem; I looked at myself as the problem. I listed all these things that I wanted to change in myself. It was actually a short list - maybe five or six main things; one was a health thing. The one that applied to finance was "weak with numbers." That's where I was. I had one column for my current state and then I wrote another column for what I wanted to evolve or change to. I wrote "eats number for breakfast." That kicked off the search for a bookkeeper or an accountant that I could work with. I realized I couldn't do this on my own because I'm so far on the spectrum of creativity and building. I didn't realize it at the time - I just thought I needed a bookkeeper, but what I needed was a bookkeeper coach. I went to Upwork and put up a ad that said "looking for fun, upbeat

bookkeeper" because again I do not like bookkeeping. It's essential, but I didn't like it and I thought if I'm not going to be doing it I mind as well be doing it with someone that is fun to work with. The second interview that I had with this woman named Sabila, if you have the privilege of working with her, she is amazing. I knew she was exactly what I was looking for - no BS. She was a little older than I and she's seen a lot of different businesses. The reason I mention the age thing, I felt for the way I'm wired, I respect age and the experience. When the words are coming from her, it's easy for me to take action on them versus say if someone was a new grad I'm less likely to - there is just something about being battle tested that I respect.

Eric: Again, I love this idea. You took the same approach you did when you were younger. You identified your weaknesses. You knew - "I have to be all in." Well, what does "all in" actually mean? You said, "I tired it." You were trying it probably according to your old model of thinking. You said, "I'm the one that needs to change here, I need to look at this. Let me write down the things that I need to improve on." You took that list and you actually executed against it. One of the most important things we can do as people running businesses, is we can recognize an area where we are weak - like you did with numbers. Then you find somebody who has that strength. So, you found this person on Upwork and started working with them. From there, how did things go?

Mitch: I want to go back for one second to this idea of challenging assumptions or challenging thoughts that you have that may not be serving you. One of the thoughts that wasn't serving me was that my business wouldn't grow, which, seems weird to all of a sudden think - instead of my business will grow. Everything that you read as an entrepreneur is "rah rah let's grow these businesses. Let's 10x this or let's 30% boost that," but what if it won't. That's a scary thought. When I was challenging I thought, "what if it never grows? What if this is as good as it gets?" I don't know if I completely believed that, but it was a new way of thinking that I had to investigate. Instead of working from the assumption that my business will grow and there will be future profits to cover today's expenses - what if it doesn't? That's where we started to - just like I was talking about a few minutes with your financial temperature. Another way you could look at it that pertains to the fitness industry is one of the easiest recommendations that you can implement if you want to lose weight is get smaller plates. Instead of having these huge dinner plates that you put all this food on, if you had a 30% smaller plate you are going to trick yourself to talking less food and over time you will lose weight. I started doing that with the business by saying "if we're not going to grow, then we should have profit." What I had been doing up until that point was believing "you're just one funnel away, one trick away from getting into the fast lane." But, why if you're not? Can you still not have a good life today? So, I started challenging everything in the business - is this absolutely needed? That's where the cost cutting started to come in and the optimization. Instead of building all the time, I took off the builder hat and put on the optimizer hat. I didn't even realize that these are two different hats that we wear as business operators. This is a concept that can up a few years ago. I hired a consultant and they looked at my business - "well you need an optimizer. You're an amazing builder Mitch, but you need somebody to come in and optimize this." Now the task was on me to optimize things and the team. We looked at a lot of our processes and started cleaning up messes. When you are building all the time you have a messy workshop and a messy everything. All the these random

pages of good hopes and intentions that never really went anywhere. You didn't clean up the mess when you were done because you were too busy building the new thing. We started cutting costs and streamlining our processes. I started really looking at the numbers and asking "do we really need this, can we optimize a lot of the costs associated with the business?" In the process we were able to increase the profit of the business by about 20 x's. That sounds like a ton, but remember where I started from was this belief that we were going to grow. My expenses were very close to the incoming revenue and there wasn't much profit. At the end of the day it's how much money do you keep and the amount that flows through your hands. Now the business is operating with much stricter financial constraints. There's a lot of profit left over at the end of the day. Yes, that means there are more taxes to pay, but there's also more money to reinvest back into the business and perhaps more strategically than ever before because I can depend on it. There's money to take more risks. Before, we were always treading water so if I wanted to take a risk it meant that I would have to sacrifice sleep and time with my family and friends in order to push these initiatives forward. Now, there's a resource cash and I can hire someone to create the new experiments and tests that could potentially move the business forward.

Eric: Right and depending on yourself is not a sustainable way for counterbalancing inefficiencies in a business. I would like to go more into the optimization aspect that you are talking about. For people listening who have business of different sizes, I would like to see if we can gain something from your experience. To help us all to take a step back and look at our business and go through the process of optimization so we can increase our profit margins. Can you talk in more detail how you approached that in your business? Some of the things you learned when you went through that process?

Mitch: First of all, I will recommend a book called Profit First which is the book I used as blueprint for looking at my finances. What I liked about this book versus other ones when I had tried to learn about this before is that the author speaks the entrepreneurial language. Language that we understand as business owners and people who are wearing many different hats. It's very down-to-earth. That was the starting point. Again, it came back because all of our businesses are unique. When you look at your balance sheet or your profit and loss statement - and if you don't have this yet, I feel like that's one of the first steps. It can be difficult to get everything up and organized, but in doing this you gain so much insight into your businesses. It's something I put off for years and years, but I would say if you are listening to this and you don't have something yet, set yourself a goal within the next three months to have something you can look at. You can put your expenses into different buckets. For example, software expenses are one, contractors are another one, if you ship things, postage is another one, if you are buying equipment that could be another one, travel etc.

Eric: Ultimately for you the bookkeeper helped you in this area so that when they finished their work and gave you a deliverable, you were seeing everything broken down. What I'm hearing you saying is, step number is getting that bookkeeper or getting a pattern where you are looking at your numbers and organizing them. Step number two, once you've done that, now you can start identifying opportunities for optimization. Is that what you are going into?

Mitch: Yeah and when you do that you can start challenging assumptions. Like, if you're in the same situation I was in where there is not profit - what if everything you have been thinking is wrong? One of the things that was challenging was looking at social media and saying - does social media actually benefit our business and to stop doing social media and se what happens. Podcasting was another one. I had been doing podcasting for a long time and it was another one that I looked at and said - I'm going to take a break from this, and not that I can't come can to it, but I'm going to challenge my assumption that I need a podcast to drive sales, or that I need social media to drive sales, and then see what happened. It was an experiment and it was scary. As an entrepreneur, a go-getter and somebody who likes to put in the work, my ego is tied up in the idea that I don't fail at things, I don't give up on things. For me to stop doing some of these things felt like I was giving up, but at the end of the day it all helped boost the profitability of the business, allowed me to get my time back so I could focus on another business that I started around the same time I started this real mental shift.

Eric: At the end of the day, like you alluded to earlier, you switched form the builder hat to the optimization hat. You were basically questioning - I've gone through this long process of building, I've this social media strategy, I've got this podcast going. Then you take a step back, you get some perspective and ask, "are these things giving back to me?" You are talking about two economies - money and profitability of the business, but as entrepreneurs, especially for small companies, our time is another huge economy to keep track of. If you're spending time on tasks and activities that aren't ultimately furthering your goal and getting you closer to it, then you shouldn't be doing them. That is also what I'm hearing as part of the optimization process - looking at how you're spending your time. If how you are spending your time and doing activities aren't giving back, then cut them.

Mitch: Definitely. When you look around at other entrepreneurs you can see that we aren't all working the same way with the same amount of time. Other people have different circumstances and their making it, so why can't I? Those are the clues that you can prove to yourself that what you're thinking may not be the true representation of reality.

Eric: Really what we are talking about here is you took some time to look at your strengths and weaknesses. You made adjustments to how you are running your business. You very quickly started seeing some value come out of that in terms of profit. You said 20 x's the profit was coming through. Where did you go from there? You've gotten used to this idea of being a builder, but also being an optimizer. How are you now setting goals for your company and how are you approaching those goals differently than before?

Mitch: That's a great question. Once we started to see things improving and we look at our numbers - really go in depth quarterly, we could start to see things turning around and going in the right direction - we went even further and said, "what if as a business we do almost nothing?" Obviously, we're still supporting our customers and fulfilling our obligations to them, but what if, as far as any new builder activates, we just stopped and caught our breathe. We did that for a quarter. After six or seven years of being in business, that was a scary thought for

myself and the team, but it actually worked out being amazing. It was extremely uncomfortable for the first month and a half, but then people got used to it. Normally we would have an hour and half meeting every Monday and those meetings went down to 20 minutes. It just so happened that this summer, the slow time for our niche, we had two team members that were moving. It worked out amazing for them. They could take two weeks off paid without having hardly any work obligations. Again, we set up so many systems and spent so much time cleaning up our messes and optimizing our processes, it became very easy for them to step back. It's not unless we're actively building something new that we really need to get busy. This is a paradigm shift for me to realize - wow businesses can work without having to kill yourself for 60 hours a week. Some people already know this, they would never work as much as I was. For a lot of entrepreneurs, it's a lesson - maybe it's not something that you can do in year one or two of your business, but it's something you can look forward to and switch gears to say "we built something amazing. Let's just let this thing run."

Eric: That's a big lesson that I learned too. In the same way it was hard for me to transition from being that constant doer. The first thing was that I had some mindset things where I would think - "you're being lazy, you're not doing anything. You need to get back to work." That slowing down, taking a step back and switching to having a larger perspective was a huge transition for me too. Where you ended up after going through these processes, you ended up with some space, perspective and time to breath. Now the question is, when you end up in a space like you get a little more clarity. What did you end doing with that clarity? What did you decide to take from this?

Mitch: Another great question. From running Pencil Kings for so long and dealing with thousands of customers over the years, I started to see that there was a gap in my market. There was something needed. I tried to create programs that took artists from wherever they are at to building a career which is what I had done and wanted to teach people. Without realizing that there was deeper underlying problem - that a lot of artists don't have sellable skills. Meaning that their abilities with the pencil or Photoshop or whatever it is it's not great enough that they are willing to trade that for money. You'll find outliers that will defy what I'm saying, but as a general statement for people all over the place. I identified here was a gap. Obviously if you look at the art space and if you even bring it back to the entrepreneurial space, there's a lot of people that can teach beginners how to start, but that training quickly unravels once you get past that beginner module. You have some quick wins, but then you get into the real journey. You're on your own to figure out the journey. On the other end of the spectrum, there's advanced training where you can pay very high-priced consultants, or in my space, very established artists. You can pay the 100's or thousands of dollars to train you, but that training is only accessible if you already have a skill base. There is this gap between beginner and intermediate to advanced. In my space, what was needed was a course or a way to break down art, which is extremely difficult because you can't hide. If someone show you their work and it's not work, you an see it, anyone can see it. You don't have to be trained to say "that's not good." I always like to pick on accountants - if look at two accountants side-by-side and they say, "I do good work." You can't tell which one is better, but if two artists hold up their work you can clearly see if one is better than the other. What I was looking for was a curriculum that could take

somebody from basically nothing all the way to having profound, award-winning skill level. As far as I know, it couldn't be done. I would ask people about it and they said, "no it's really up to the student." I didn't want to believe that. Eventually, I did find someone - again via my podcast there's a lot of value in the podcast and speaking with a lot of different artists - I found someone that had that curriculum. He was taking 13-year-old kids to creating photorealistic oil paintings. It was completely amazing. As my time started to free up from Pencil Kings and allowed me space to work on bringing this new business to light, to take this curriculum that was only taught inside a brick-and-mortar school to the online world so that anyone could access it. I knew that there was a demand because when I originally interviewed him people were willing to fly from Spain, the Philippines and a couple other places to go and study with him in person. In 150 podcasts episodes I never heard of anything like that, that people were that convinced. With that space it allowed me to keep that builder hat on, but just step away from Pencil Kings. Again, we still did our meetings, handled customer support, all those systems were in place. Then I could focus on filling this space in the market that I knew the Pencil Kings audience was hungry for, as well as artists all over the place. And, to take a lot of the lessons that I learned from Pencil Kings of what to do and what not to do, in order to set this business up to be successful. But, also to set the students up in a way that they would have the highest possibility of success in the program.

Eric: What we're talking about right now is evolveartists.com. One of the things I would like to go into, when you started this site - we're getting into new business territory even though it's a continuum of Pencil Kings, but I think there's some really interesting things we can learn from your experience. You have Pencil Kings, we spent a lot of time talking about your journey with Pencil Kings. Some of the things that you ran into yourself that became challenges, how you pushed through those challenges and learned to all your business. Now, you're coming to start something new. One of the things that I immediately noticed from going to evolveartists.com is the site itself is much more basic. It seems like there was a deliberate decision to not spend so much time on the design of the site, as much as Pencil Kings. Maybe, I'm guessing there and maybe I'm wrong, but what I'm getting into is - when you came to Evolve Artist you said you were able to move quickly. What kind of things did you end up doing and you knew you needed to do? What things did you end up just skipping based on your experience or say maybe we do this now? How did you leverage your experience from Pencil Kings to really make Evolve Artist get up off the ground and running as quickly as possible?

Mitch: I like that question because what you see now is far more fleshed-out than what we started with. If you can close your eyes and picture this - what we started with was a 90-second video and a button where you could enter your email address to register, a background picture and a logo. That was it. We had no blog. We didn't even have text on the website. That's was how we started. It basically took the trust and credibility that I had with the Pencil Kings email list - going back to building an asset and having a table with more than one leg - that I could then say "here is this new thing that we have been working on. People seem to want it and the results of students have is incredible, let's do this, if you want to do it you can go here and sign up for it." Eventually, we did have a sales page and we had emails that went out, but we basically had a one-page website - let's say 3-page website. It had the landing page where you can put your email address in, it had a 'thank you' page that when you entered your email

address it would just give you a podcast episode. It wasn't video, it was just audio that you would get. Then, it had a sales page.

Eric: What was the thinking behind these decisions on only to do only these things? I'm guessing that there was some reason you knew why each one of these was important, and you deliberately chose to do them for a specific reason? Why did you determine that these particular things were what you needed in the beginning?

Mitch: It was out of frustration. We wanted to launch the site for a while and I found, for me personally, the big the biggest business breakthroughs come out of extreme frustration. Where it's so frustrating that you have to take action - not moderate action but, severe action. So, what is the most minimal amount of stuff we need to get going? This was the minimum amount.

Eric: That's great. I do think that's an advanced strategy - just get started. You are always going to evolve and iterate. Don't let the iteration happen behind the scenes and keep you from actually putting stuff out and getting the appropriate feedback to know what's working and what's not. Don't be scared of just throwing something up there, no matter how simple it may seem.

Mitch: Exactly. A great thing that you can do if someone is feeling stuck or paralyzed, do a Google search for original versions of famous home pages. Something like that where you can see Google's first homepage, Facebook's first homepage, Airbnb's, and Twitter's. You'll say - "wow, those look terrible!" Yeah, they all started somewhere and you have to start somewhere. On the flip side, I'm a scripter so I wouldn't say I'm a programmer, but I can cobble some things together. On the back end what we started with was putting - I think we had Airtable hooked up to Zapier hooked up to our autoresponder system. That was about it. It was terrible. It was so much extra work and since we've evolved from there. That was something I could get up and running in basically a weekend. Then we had this cool backend that nobody else had, even though it was just cobbling together existing technologies. It took a while to get all that experience to be able to quickly do that in a weekend, but there was no blueprint for me to follow. It was just, this software does this thing and that software does that - they can talk to each - boom we're in business, let's go!

Eric: It could have been anything. For you it looked like that - those particular three things, but it could have been anything. The reason that I am belaboring this point is because I know for a fact that you took what most people may consider a risk - you put up that ugly thing and it didn't stand in the way of the growth in your business.

Mitch: No, definitely not.

Eric: What was the response like and how did you go from there?

Mitch: The response was amazing. It was one of the highest converting sales promotions that we had ever done. We got our initial batch of students and they refer to themselves as a 'beta

group of Evolvers.' They got in and they know that some things were going to be rough. We are almost a year into it now from when we started and things have come from come so far from where they were. As soon as we made the sales, we started sending out the boxes because there's a physical component to this particular course - it's not just watching videos, you actually get materials in the mail. We just started supporting the students and we were building the course as we were giving feedback to the students. Again, some hiccups along the way, but hiccups are going to happen whether you try to plan for everything or not. You can't avoid them. So, why not go, almost as fast as you can and deal with them as they come up. There will always be new challenges that you never could have foreseen. Why bother planning too much? Don't be crazy but keep going.

Eric: Exactly. That's a huge lesson I've learned from the ten years I've been in business too. I think we both in our original businesses, you Pencil Kings and me MemberMouse, we both fell into that trap of trying to reach this idea of perfection. Building building building, not taking a step back even though we were certainly taking feedback from people. For me, there was always a place that I knew I was trying to get too and I also had that stubbornness - I'm going to get there. What I've learned from that experience is exactly what you're saying now. The true synergy and the true value of a product is something that serves both you, in terms of your interest and enthusiasm and your customer. So, the quicker you can start the conversation and the more agile and responsive you can be to what people are telling you, the quicker you are going to find that sweet spot of profitability - with your market.

Mitch: Definitely.

Eric: I'm glad to hear that everything is going well there. Based on where you are now, what are your visions looking forward with Evolve Artist and Pencil Kings? How are you going to work with both of those businesses?

Mitch: What we're trying to do with both businesses is break new ground. I don't know if saturated market is the right word, but in every training business there's YouTube. There's tons of content. There's a mountain of content that's always coming out. I feel like were in post information scarcity mode now where there's too much information. How do you deliver the most effective information that suits the most people? The next challenge is how do you consistently motivate those people to take action on the content that you're putting out that's in their best interest? Even though we live in this distraction crazy world at the moment. I think that's it, that's the game. For all course creators it's how do you differentiate yourself and get people the results with whatever you're producing?

Eric: Do you have answers to those questions?

Mitch: It's more like hypothesis. Looking at other Industries and seeing who has a lot of attention, what are they doing, how is their business model different, how are their customers different and how do their customers behave, or their clients? It's really a lot of noticing and also trying to get out into the world more. I'm a hardcore introvert, I always have been and it's part of

why I can work so much and why being an artist was a good fit for me. But, now the challenge is, what is happening in the world? Having your head in the sand is not allowing me to be exposed to what's going on so I can take ideas from other places and then bring them back and see how do they work in the framework of the businesses that I'm building. If there's a particular community with a crazy raving engaged fan base, how do you tap into that and can you tap into that? Sometimes, it's very direct and straightforward and other times you need to mix things and put it out there and see how it goes - knowing full well that it may fail. I've had failures and it sucks so much when you put a lot of effort into something and it's like - no, total flop. It's okay. You can always go back to the drawing board and reimagine it. One of the challenges here is also getting paid for it. I've put out a free course at one point and promoted it a little bit and it was 750 people signed up and were super engaged and loving it. Then I put a $7 price tag on it and then it was 30. It was like - "what?" There needs to be a value exchange. You can't just be giving things for free because it gives you a false sense of this is working. It's not a sustainable practice because again you have to feed yourself at the end of the day so you can continue to provide value to people.

Eric: There is a balance there too. There is value in giving away free content. However, you don't want to do it to the extent where you're surpassing what is sustainable for you. Going back to something you said earlier when you first started Evolve Artist, one of the first groups of people that you messaged about joining it were people from Pencil Kings, people that were already familiar with you and knew of you. You said that they called themselves the 'beta group for Evolve Artists.' I find this really interesting because I think it can quell some of those fears we may have for failing forward fast - putting things out there, seeing if it sticks. When we do that people, who know you and people who you allow to know you, people who you are okay being personable with and upfront with, they will forgive you for it. They will go along with it for the ride as long as you are responsive and they know that you're attentive. It's not going to be this business-destructive-world-crushing thing that we think it's going to be if something we put out doesn't work. Would you say that's been your experience with this process?

Mitch: Yeah, definitely. That's something I've learned along the way - you want to set people's expectations intentionally low. Let's say when you're creating a promotion or a product and you have six different features or bonuses that you're going to give to the people. Instead maybe you only talk about two if them. That way it gives you an out if you're not able to deliver on six, people are only ever expecting two so, they're happy as long as you got two done. If you get all six done then you've delivered way more value. It's tough, we get excited when we're creating something and we know what's possible, but you gotta keep your cards close to your chest because there are a lot of unknowns. Managing those expectations is a big thing and realizing it won't be the end of the world. Pencil Kings has gone through so many different iterations. We've been with MemberMouse for quite a while now, but it took us two different membership softwares that couldn't serve us until we finally got onto MemberMouse. Then things were good. Our customer base had to go through those sometimes painful transitions, but I knew that the work that I do - and this is the saying that I always remind artists and pretty much anyone that I talk to - is the work you do tomorrow is always going to be better than the work you do today. Just get the work done. Don't let anything stop you. That grand vision you have, it will come

true, but you have to get done today's stuff so that tomorrow will be possible. The things that you do tomorrow will usually be better than what you have going on today because you get better - you continue to be better at your craft.

Eric: I think that's an important lesson. The alternative to that is you may be concerned about what keeps you from acting at all, which means you do nothing today. Then tomorrow the increase pressure you're putting on yourself gets exasperated because you now feel behind. That's one thing I've found is consistency - whatever you do, whatever you're working towards, do it every day, be consistent at it. You don't have to overdo it in terms of what you think you need to commit to, just do something. Like you said, what you do tomorrow is going to be better because you did something each day. You worked at it and you will naturally improve. I have a couple final questions for you. The first one is, for those listeners who are near the start of their business, they're just getting started, maybe they have an idea or something that they're very passionate about that they would like to share - what advice would you give someone like that, at this point in time?

Mitch: The absolute best thing that you can do is always keep making forward progress. If you can start surrounding yourself with other people who have already done what you want to do, you're going to make progress so much faster. For me the path to getting to six figures of revenue a year which, a lot of people would say that's a milestone that you aspire to, but a lot of people never actually get there. For me, the path there is very clear and direct. It's so easy and so straightforward. If you can be in a room and start surrounding yourself with the people who are doing that, then just by listening to those conversations - and you can find these people online or maybe even offline, but it's just going to accelerate. Whenever you're unsure you can pose the question to some of these people and they can help you forward. It's going to be a dramatic short cut. The challenge though is finding these people - it's not always apparent. When you find people, are they going to be the right fit? The last thing I will say is there are groups that you can pay for to join and some of them are good, but for me, a lot of the best value that I've ever had is by looking at friendships. I like building businesses, it's my passion and my hobby. It's really fulfilling for me. When I find someone, these magical people that I'm talking about right now, I just look at it as friendships. I try to provide value to them and there's no money that ever changes hands, they're friends. I would invite them to come stay on my couch if they were coming through my city or on their birthday wish them 'Happy Birthday!" Maybe I would send them a stupid little gift on Amazon if I think of them and I know it's something appropriate to send them. It's really just friendships it's not a business transaction.

Eric: I know for you personally, and there are a couple other MemberMouse customers, you guys created an unofficial assistance group. In that situation I believe you guys were all pretty much going on the journey together. It wasn't that any one of you was ahead necessarily, one of you had seven-figure business and the others were just getting started. You all were going on the journey together which is also valuable, right? To surround yourself with people that are going to the same place.

Mitch: Most people when I tell them I'm starting a membership business and I'm excited about using this new platform MemberMouse that I just found out about last week. No one knows what you're talking about - you just started speaking alien to them. If you can find a couple other people that are on that same journey, it's amazing because the learning curve gets cut down so significantly.

Eric: I think that's great advice. Finally, is there a place, if listeners are more interested in you and the things that you're doing, are there places you recommend that they can check out to find out more about you?

Mitch: Yeah. I'm really on a mission these days to fix what I see as a broken art education system. I encourage people to go check out evolveartist.com and see some of the stuff that we have going on there. As well as, go check out pencilkings.com. Those are the two places that I hang out online. Evolve Artist if someone is creatively bent this really is the program that I believe after spending 30 years being an artist, that people have been looking for and it will actually deliver on the promises that it makes.

Eric: I'm really excited to see how things turn out with that business. You certainly have the ingredients there: the experience, the passion, the desire to improve something and the response to the feedback to the community. All of those are ingredients that really spell success and creation of something that's really valuable. I'm thankful that you're actually doing it because it's going to help a lot of people. I definitely appreciate you taking the time to share your story with us today and our listeners.

Mitch: Thanks. I also have to say thank you for bringing MemberMouse into this world. As a business owner, having software that does not give me headaches is the godsend to me. It's a system I can depend on and I don't have to lose sleep over it if it's going to work or not. It's been there and rock-solid for years and years now. We'll just continue using it.

Eric: Many thanks to Mitch for joining us today on the podcast. If you'd like to hear more about Mitch and what he's up to, check out his two main projects www.pencilkings.com and www.evolveartist.com. Thank you for listening to today's episode. To get the show notes go to www.subscriptionentrepreneur.com/106. If you're interested in hearing more interviews with entrepreneurs and learning their strategies for success, please subscribe to the show. In the next episode, will be talking to aviation instructor Chris Palmer, the founder of angleofattack.com, and aviationtraining.com. In that episode he will share with us the importance of balancing authenticity with practicality, in order to grow your business without sacrificing personal ideals. I hope to see you there.