

Cathryn Lavery

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[RYAN] Hey, Cathryn. Welcome back.

[CATHRYN] Hey, Ryan. How's it going?

[RYAN] Good to see you. I respect what you have built so much and you're probably tired of telling the story, but it's one of my favorite things about your story, is that at the very beginning how scrappy you were. And so, you've spoken on our stage, you've been on our podcast, and you have hit a certain level of success that is admirable, respectable, enviable, but you started off super scrappy, and I was hoping you could tell me about the launch of Best Self, and if you can remember it, how you seeded that and teed it up, because from an outside perspective, it looks like that had a meaningful impact on the momentum of the business. So, would you tell me that story?

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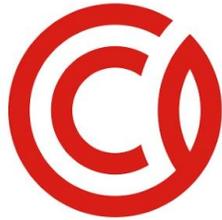
[CATHRYN] Yeah, for sure. So, it's easy to be scrappy when you have no money. It's kind of a bi-product of it, that you just have to figure stuff out. So I'd done a couple of Kickstarters with another business and they didn't do nearly as well as Best Self did, but it was like I'd learn a couple of things with each one.

And so, when it came to launching the self journal on Kickstarter, we launched in August, 2015. And so, it was like, brand new product, didn't have an email list for this business. My other one was like an art store, and this was completely different. It was just a topic I was super passionate about, and so basically from May 1st until August 19th, our goal was, let's get as many email subscribers, so that when we launch it, we have people to launch it to because when you're crowdfunding, a lot of people are like, oh, just put up a product and people will come and buy it from me.

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I'm like, your mom probably will, if you are close to your mother. Some of your friends might also, but you have to have ... you're not going to create a business selling to your friends and your mom, so you really have to figure out what it is you're selling, what problem does it solve, and then teasing out the problem before you launch it.

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[RYAN] And you had done ... I want to hear about those early Kickstarters because you say they weren't much. Do you remember what the numbers were?

[CATHRYN] Yeah, I think the first one I did, I asked for like \$3,000 and I got \$2500.

[RYAN] So that's not bad.

[CATHRYN] I just basically did it in two weeks. So, a friend of mine, I already had this product and I just did the creator way, I would print it and then I would hope to sell it. So, I was actually at a conference and my friend Justin was like, "Oh, you should Kickstart this." And I was like, "Oh, what's that?"

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So, basically, I set myself a goal of like, I was going to launch in two weeks, I'm still going to launch in two weeks, I'm going to do it on Kickstarter. And so, Ryan, if you saw the first video I ever did, it was, I don't know if I can swear, it was so terrible. I was like a robot and even my little brother was like, I couldn't even watch the video, it was so bad. So, I just did everything terrible. I didn't know my numbers enough so I lost money in international shipping. I actually did a blog post about how much money I lost, or how much money I didn't make from that amount that I made.

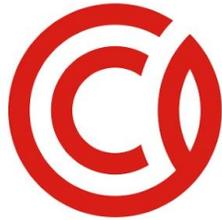
Then, I went back and I did one maybe six months later and I hit like \$55K on that one. And so, that, I learned from my mistakes and I kind of learned a little more about engagement and setting yourself up before, but they were just all little tweaks of basically just not expecting people to come, how do you engage people after, how do you make them give you more after they've backed the company, how do you have them tell your friends about you? There was just a lot of different stuff.

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And I came from the idea of, oh, I'm a product person, I don't like marketing, I don't like selling. And so, it was very difficult for me to do it, and so by the time the self journal came along, I knew what we should do, and then I had a partner so that made it easier because I could still be the product person and he would help with the ... being more "markety" than me.

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And so, we did a couple things with one ... Medium was a pretty new platform, so because we didn't really have an email list at all, I was like, okay, what do the type of people that would buy



this product read, and so I was like, morning routines of successful people. And so, there's like how to create a morning routine article, but then there was also a bonus upgrade where I just created these cool PDFs of specific people, because a lot of times people are like, okay, but what does Ryan Moran do in the morning? Let me just copy that one.

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And so, we got a lot of emails just from me creating really good content that people wanted to read and then knowing later they would be interested. And then there's the law of reciprocity where I felt like if you created enough really good stuff for people they would come and support you. And actually, I wrote a post on Sumo, and I think in that year it was their most popular post, it was like, how we raised ... how we basically launched our Kickstarter and funded it in 28 hours, and I really just was like, here are the emails that we sent, here's the content we put out, we did this giveaway with productivity tools where the only people that are going to be interested in this giveaway are people that would buy this product.

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So, it's not like a MacBook Pro and an iPad or something like that where everyone and their mother is going to want it. You want to be super targeted to the person that would buy it. And so, there were a couple things there so that when you launch your Kickstarter that you want people just backing you right away. You do that in a bunch of different ways, you do that, like early bird specials. I think we only needed 200 people to fund our Kickstarter and we had an email list of maybe 3,000, I think, when we launched.

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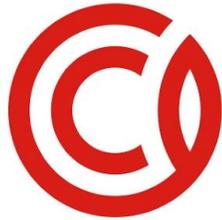
[RYAN] That is so key, there, because so many people think you need to have an email list of 50,000 people to smash a launch, and in your case, you needed 200.

[CATHRYN] Yeah, you need 200 people that care.

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[RYAN] That's right, that's exactly right. So, there's a bit of a thread here that I'm trying to find the center of, which is, your first launch, \$25K in pre-sales, cool. Second one, \$55,000. I know Best Self did way, way more than all of this, but you mentioned that when you launched Best Self, you didn't have a list. So, you had to have seeded those other two launches in some way, so was that accident? Was it ... tell me how you seeded those. And I think those were random products, right? They weren't businesses you ended up keeping or anything.

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[CATHRYN] No, they were like a poster of aircrafts in film. It was so niche that whenever people were like oh you go to [INAUDIBLE 00:07:44], and it was like, trust me, these were not the same people. So, I think because the product we were selling, I was personally interested in, and I had been writing on my blogs, and as I got more into personal development stuff that I was learning.

And so, I may have had a few hundred people that knew I was interested in this stuff. And then, I used that to start building my list. So, it was like a very conscious effort of, okay, how do I create more content around this? And I think now, it's way more competitive, but you have to just make sure the content is really good, because I put it on Medium and on the day we launched our Kickstarter, Ariana Huffington just randomly Tweeted out an article that I wrote, and I don't know Ariana Huffington.

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She just ... it had gotten so many upvotes because it was good content on Medium that she'd seen it and then Tweeted it out, and then at the bottom of ... as soon as we'd launched the Kickstarter, I'd changed the call to action at the end from, join our email list to get these bonus ... get these rituals, or whatever, to, oh, by the way, the writer has a Kickstarter running right now.

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[RYAN] So, in your case, Medium was the traffic source to build the email list.

[CATHRYN] Yeah, and the giveaway.

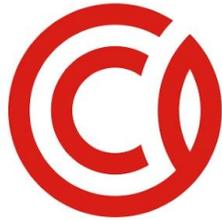
[RYAN] The giveaway, the giveaway of?

[CATHRYN] Of a ... so productivity books, [INAUDIBLE 00:09:13] Bulletproof Coffee, a meditation app subscription, and things like that.

[RYAN] I see. And so, that captured people who were interested in this topic, and that gave you the hot list, it gave you the warm, hot list of people who wanted this or something similar.

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[CATHRYN] Yeah, it gave me 30,000 people ... it could have even been, like, 2,800 people, something along those lines, of people that were interested in these ideas.



[RYAN] Yeah, beautiful. And today, you mentioned that it's more competitive, Medium, but I mean, that could be one influencer who does a swipe up campaign with you because you've added a lot of value to them, or it could be the audience you've partnered with, or it could be a Facebook group, for goodness sake. The important thing is that there's engagement with that audience, and that's something that you've mentioned that 200 people who cared, 200 people who were engaged. So, being that you didn't have money and that this was your first real business that was launching, how did you stay engaged with them in a way that felt on-brand when you went to go launch?

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[CATHRYN] So, I think just, again, there is a lot of noise out there, and I think sometimes people are like, I don't know if this is going to work, so I'm not going to put too much time into this. So, they try to spread themselves across multiple things because they're just like, oh God, what if I put all this time in and it doesn't work?

And so, they put a little more time and wonder why it doesn't work. They're like, oh, thank God I didn't put too much time into that piece of content because it didn't really work, and you're like ... there's a disconnect here. So, I think doing less but just putting out stuff that you really are happy with and you would want to read or consume or do whatever. Ryan, you put out really good content and it's like actually probably someone's going to learn from this or it's beneficial.

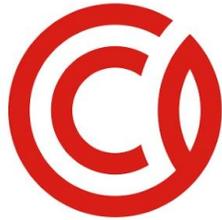
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People know when you put out stuff and you're either teasing something and not teaching, or you are really just trying to put something out there without actually realizing that it's not very useful.

[RYAN] So, what was that for you? What was-

[CATHRYN] I think it was like a very intentional content creation around what I'm doing, how I ... I'm trying to think of the biggest piece of content. I know that the actually here's how we launched our Kickstarter was really a big deal because it was, here's the emails we used, this is the giveaway, and there's a chart of how our email list grew. So, a lot of people don't give away that type of info, and so people were like oh, I should support this project because I just learned so much from it.

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And so, maybe at the start, they didn't even think they wanted the product but there's that law of reciprocity that they knew this was a 5,000 word thing and I just gave away all my secrets, which most people don't do, but you'd be surprised how much people love it when you do share that stuff.

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[RYAN] Yeah, and it sounds to me like you were truly documenting the process in a way that added value to people which was you're sharing what worked and what didn't work, so much so that it built the audience enough to become a self-fulfilling prophecy.

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[CATHRYN] Other people shared it because it was such good content. Like Sumo, they got a ton of visitors on their site, and because I had written this really epic post, it was great for them for traffic, and then that's another way, how I built my list. So, if you can create great stuff, people like to share it and make them look good.

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[RYAN] Yeah, what's beautiful about this is you didn't fake anything. Like, you're not trying to make content that isn't real content, you're just documenting the process of your own business, and that keeps the customers engaged, and so even with this very small audience at the very beginning, you come out and you smash the launch.

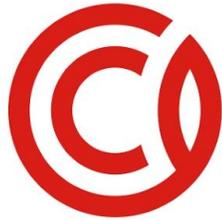
And you'll have to forgive me, my knowledge of Kickstarter is minuscule but I know you had a major launch. Did you have inventory at the time, or did you use that to buy the inventory?

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[CATHRYN] Yeah, so that's ... you don't have inventory at the time unless you're doing it really wrong. Kickstarter is you're essentially pre-selling a product before it exists, and it's like the ultimate validation that people want it because ... I call Kickstarter like a secret Santa to yourself, because you buy something you really want, and then six months, two years later, something shows up at your door and you're just like, I totally forgot about this, this is awesome.

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[RYAN] Yes. I've had that happen, too. And what was the lag for you? I didn't realize that ... I mean, I have experience where it can be two years as a buyer, but that's got to drive you crazy as the business owner. So, what was the time lag between getting the money and shipping out?



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[CATHRYN] Shipping out, we finished our company in mid September, it was a month long, and we had told people we're going to have it to you by Christmas, which we did get it to them by Christmas but it was so tight, and I always tell people, never promise anything that could be even potentially close because everything and anything will go wrong.

And so, for us, your funding goal is based ... Or, I tell people to base it on the minimum amount that you need to be able to create this product. So, for example, if you had a thousand widgets, and the manufacturer, that's how much they need you to order for them to actually do it, then your funding goal should be based on that. And that means that if it's \$5.00 you're saying to buy this thing, you want ... obviously, you're up-charging it, so to actually complete that order of a thousand units, you only need to sell 250.

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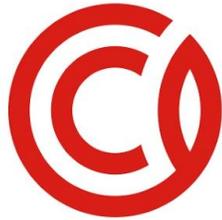
And so, I kind of have a formula of ... Kickstarter is great for launching a product but you don't want to have to always go back to Kickstarter. You want to create a cycle of your inventory so that you're constantly being able to pay for new stuff instead of being like, every time you're out of inventory, it's like, oh Kickstarter, Kickstarter, Kickstarter, because it's just not going to work out.

So, for us, our funding goal was \$15,000 and that was based on a thousand units, I believe, and the great thing is that if you way exceed your goal, you're producing way more than you planned, which means that your cost per unit is going way down. So, we ended up pre-selling ten thousand units and we produced thirty thousand with the money from Kickstarter because we ... that was how we launched our store. We essentially had, like, 20,000 units to launch the business with and those sales enabled us to not have to take money after that.

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[RYAN] That's beautiful. So, what I hadn't realized about your story specifically was that you pre-sold them and then ordered. I didn't realize that about you specifically. I know people do that, but I didn't realize that you had done that. And it's so freeing to get that it's okay if there's a lag. If you're selling on Shopify, if you're selling on Amazon, at the very beginning stage, it ain't okay to have a four month lag. And so, I didn't realize that you had that big of a lag, and you did all this with such a small audience and it really propelled that momentum.

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[CATHRYN] Yeah, and I think a week before the Kickstarter actually ended, we ordered the product because we were on such a tight time scale, so I think we had to put down ... I don't really remember the details, because we didn't have money so I don't know how we would have paid. Maybe we told them this is our Kickstarter, it's going well, we're putting in an order for this many, and then I think we actually had to increase the order at the end just because the last five days were so crazy.

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[RYAN] Was there any profit from the launch? I know you mentioned that you did a post about here's how much money I didn't make from this, but what did the numbers end up shaking out to be?

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[CATHRYN] Yeah, that Kickstarter was profitable because it had to be. I kind of learned from previous mistakes. But the money we had put in to do the video and all that probably cost like five grand only to do a bunch of random stuff like that. And then, we got that money back and I think we paid ... we took a little money, but most of it was just put right back into the business to fund extra inventory. So, that 20,000 units, set up an online store, we set up a warehouse in the UK.

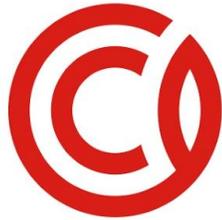
So, we did a lot of stuff with that money. We're super scrappy. I think for the first few months, we didn't even have our own email addresses. We had aliases and shared an inbox because it was like \$5.00 a month [INAUDIBLE 00:18:20].

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[RYAN] I love this. I love this so much. So, you have done such an amazing job of maintaining brand integrity through the scale of this, and it looks so elegant and effortless from the outside. Your packaging is on point, your team is on point it seems, anyway. It looks like things have been very smooth sailing, and I'm curious if that's a true perception and how you have seemingly scaled so elegantly versus most people would just break if they hit ... I've seen breaking points at about two million dollars in revenue.

Companies will just break, like they don't know how to get out of that trap, and it happens again at five and it happens again at ten, and those are breaking points. And you've just kept going. So, what am I missing or what is the elixir there?

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[CATHRYN] Well, I mean, I think branding and the outside perception for me is kind of the easy part because I am so picky about that stuff that ... because of the team, I notice everything. I'm like, that pixel is two pixels to the right too far. It's all I see, which is, I think, really annoying for my team. And so, from the beginning, even with our manufacturer, I remember getting one of our first products, actually the journal was ... I don't even know if it was in a sample or whatever, but I get it in the mail and I'm just like, what has happened? This ribbon is half an inch longer than I said it should be, or ...

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So, I'll notice all of those things, but it's kind of like ... there's that band they talk about, where they go in, if there's any brown M&Ms there they won't play, and the whole point of it is ... it's not about M&Ms at all. It's like that their writer is so complex about specifically the lights and everything that has to happen for them not to get hurt and they have this in their writer so essentially they don't have to check anything else, because it's like, if you can't do this right, we don't trust that you're doing all the complicated things right.

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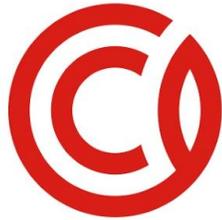
So, for me, I think because I was so crazy detailed about that stuff with our manufacturers that they would quality check themselves way more than maybe if we had let them off [INAUDIBLE 00:21:10] still. And so, that started with the manufacturer, and then, honestly, I think on the outside, branding, again, creating design structures is not that difficult. What was happening behind the scenes was just breaking points operationally and dealing with stuff that I had no idea about.

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Like, we just hired a CFO company this year and honestly half my conversations is like, huh, could have been doing that before. So, I've definitely learned some expensive mistakes, a lot of them. But, I think just being open with when I make mistakes and learning from them and also hiring great people that also make mistakes but then they also learn from then and then we regroup.

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[RYAN] Yes. Would you tell me about that team building aspect? Because whenever I talk to you, you're hosting a retreat for your team, or you're doing something to build camaraderie. And I also know that you're ... you've run into some hurdles with team, too, you've run into some challenges and some bumpy roads with people who were a part of the team. And I'm curious how you have maintained that team integrity without losing your mind. So, is it a hiring thing? Is it a managing thing? Or something else?



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[CATHRYN] I love that you thought I haven't lost my mind. So, for me, especially when I started, I didn't like managing and I wasn't very good at it. I would be like, oh, I'll just do it, I'll just do it. And I think part of that comes with I enjoy doing the work and so I kept doing it. So, when it came time for hiring people, the hardest part was just trusting them to do things, but you can't scale unless you do that. It got to the point where I was feeling so burnt out.

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And then, also, I think I have had bad bosses before, and I pretty much try to do the opposite of what they did. So, I remember when I was an architect, I remember I didn't know what success looked like sometimes. Beginning these projects, there was no instructions, I was right out of school, so they would just be like, this project is due in three months. We've never done anything like this before, but figure it out. So, I'm just sitting with all these building manuals trying to understand and I felt so anxious all the time.

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And I passed one of the buildings and I was like, oh, I wonder if my team wonders what success looks like in their role, because I remember that anxiety that I felt which was just feeling like I'm constantly fucking up. And so, there's that part of it of setting clear standards for people, and then we have core values. One of them is assume positive intent, because I feel like it's so easy to jump to the negative with people, whether they're customers, vendors, each other. It's easy to screw things up and slack conversations.

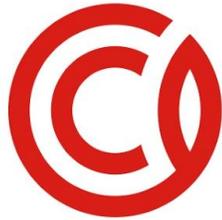
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If something is sarcastic and is not picked up on well, then drama ensues. So, one of the rules is that if you're talking serious, pick up the phone or get on a Zoom call. And then, also hiring for culture is so important because if you get one bad apple it can really ruin ... and I've had ... I've not always hired, like at the start of hiring we didn't set clear ... it's like, you're desperate to get someone to take on a role, and then you realize that you didn't give them what they needed to be successful in the role, and so you constantly learn different things of if someone is not doing their job, you first have to ask, did I really explain how to do it?

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And, if the answer is no, then you need to do that better, and if it constantly comes up then it's their problem, but you should first assume it's your problem, not theirs.

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[RYAN] Yeah, I get it. Now, tell me about, if you're comfortable sharing, you've been publicly open about some bumps in partnerships that have happened. If you were giving advice to yourself a few years ago, how would you explore or approach a partnership? Because you've had ... it seems like the companies that you've built couldn't get to this point without some help, but also there were some real challenges with those relationships. So, what would you have done differently, or how do you view it now being at the point where you are?

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[CATHRYN] Yeah. So, I think partnerships can be great. I think at the beginning of a partnership ... So, I'd never had a partner before. I also was very insecure about what I could do and assumed positive intent when maybe that's fine but you should probably have a legal structure to make that follow through. So, one thing is when you're first starting, especially if you've done business before, chances are you've seen a lot more. But, if you're just new, there's a lot of stuff that you don't know that you don't know, and so it's hard to set up a structure when there's literally so many possibilities.

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And so, I would say, I would never do 50/50 partnership again. There should always be there ... you have a person with one point extra between the two of you, or you have an outside person and you build trust that would be that decider, because 50/50 is not a business decision. It's like a settlement.

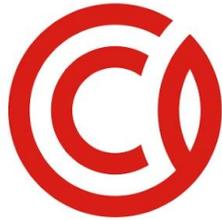
[RYAN] That is absolutely true, yes.

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[CATHRYN] You just are taking what you think is the easy way to decide something. You're like, oh, straight down the middle seems fair. And at the beginning, maybe you are equal partners, but I have not seen much evidence as time continues and if someone's just slightly should have more at the beginning and then over time it just gets worse.

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And so something, if I could do one thing differently with the partnership it would be the vesting idea. I didn't even know what vesting was in 2015 but essentially it means you don't get all your equity up front. So, it's usually like a year clip. So, say you did 50/50. Year one, you get 15% and each year it just adds on. So, with my ex business partner, we're just over two years in and he sort of stepped away but we had gotten all of our equity up front, and we didn't have any structure of what the roles are, what the responsibilities were. It wasn't vested.



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And so, you're basically [INAUDIBLE 00:28:33] in every decision. So, vesting, if I could do anything differently, that's what I would do. And then, also, a really good operating agreement would have saved me so much time and energy. Literally, every lawyer, it was really annoying, I would send it to another one thinking I'd get a different answer, and they were all like, oh this is terrible. And I'm like, I know it is. What can you do for me?

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So, I definitely learned the hard way, because a lot of times, at the start you don't have much money so you don't want to spend ... I wasn't even wanting to spend \$5.00 on email, so thousands on a lawyer was like oh, we're reasonable people, we'll figure it out. Turns out, that was not a smart decision.

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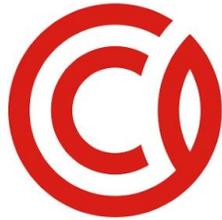
[RYAN] I understand. So, we do a similar structure with influencers where we'll reserve up to 15% of the company to partner with the good face and audience of the brand, but that vests over four years. So, they're getting 2-4% a year over four years and that way, if this just ain't working, if this just ain't a fit, pull the plug and let's get out of here. And yes, I gave up 2% of my company on a bad hire, but I also add in provisions of we can buy you out at a certain valuation, and it may be a high valuation, but I can get my two points back. So, nothing is certain. There's no relationship ... if every relationship was certain, there'd be no divorce.

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[CATHRYN] Right, well, what 50% of marriages end in divorce? It's like, 100% of business partnerships will end at one point or another.

[RYAN] Right, that's right.

[CATHRYN] So, and actually, there was a lot of turmoil with the business partner, but then, this year, through the buyout process we ... negotiating like it was just a two year ordeal. And then we were finally negotiating, but then he's going through a divorce, a very contentious divorce which was just terrible for me, because now it's not really up to the two of us. It's up to the two of us finally negotiating, and then the ex wife approving it, and I'm kind of in the middle of the situation because we finally negotiate a deal, they're not getting on, so why would she want this deal to go through? It was really so contentious that it took ... after we finally negotiated a number, it took six or seven weeks for her side just to approve it, and then we're dealing with business lawyers, personal lawyers, divorce lawyers, divorce lawyers that have no real need to hurry up on anything.



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So, I'm just like, sitting here, I'm like, I can't really grow the business, I'll have to pay more. But, I also want to maintain my team. So, it's this tightrope of how do I manage this?

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[RYAN] So, that's a lot. So, there's that.

[CATHRYN] During a pandemic.

[RYAN] Right. The ironic part of it is that at the beginning, you were able to move really quickly, and because of moving really quickly, you were not able to move quickly later. And so, there's kind of this interesting tension there that what you're saying is, you're kind of thankful you're able to move so quickly, you just wish there had been a little bit more thought to that structure to set both of you up to be able to move really quickly.

[00:32:37]

I'm curious about, in those beginning stages when you're really ramping up in those first couple of years, you're not selling a super premium product. Like, you're selling a journal, and it might be a premium journal, but you're not selling \$500 units here. So, the profit margins on that need to be maintained very carefully. I'm curious how you were able to ramp up so quickly without breaking the bank because you grew very quickly after your Kickstarter launch and other people started picking up and sharing it, you build a loyal following. How did you maintain the financial health of the company?

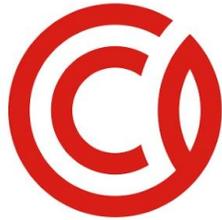
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[CATHRYN] Well, for the first probably from ... we launched our story January 1st, 2016. 2016-2017, everything was great. Ads were cheaper. We were kind of the first to market with this type of product which was a goal-based journal. If you'd been on Facebook, [CROSSTALK 00:33:37]-

[RYAN] Everybody's got one now.

[00:33:37]

[CATHRYN] Yeah. So, that was part of it, and actually, the journal, or some version of it with additional stuff was like 90% of our revenue, which, my goal in 2018 was to drop that to 60% with other products. Like, grow the revenue but drop the percentage of the total being to one product, like a single point of failure.



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And then in 2019, we kind of did a rebrand and came up with, basically ... diversified our product line to not just type A goal setters like me. Like, oh, actually ... and that was sort of a personal journey that I'd been on, 2016 and 2017, hitting all these big business milestones and then personally, I was in a relationship that wasn't great. Or, actually, it was fine, right, it was fine, but I was like, well, I'm a high achiever in all these other areas, why am I settling for something fine?

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And then, when you do personal development, you can fix every part, but then when you're going home after hitting a goal and you're like, this is the one thing that I've been avoiding doing anything about. So, with Best Self, it sort of changed to be like, oh, actually, you can hit all these business milestones but if you don't take care of your relationships and personal ... romantic and otherwise, there's not really any point, these empty successes. But it took me being in that to really understand it.

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And so, that's when we sort of expanded our product line and it's good that we did because like I said, so much more competitors coming in because they saw how successful we were with it and then did the same thing.

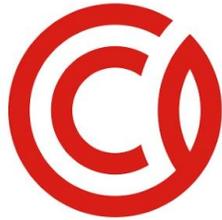
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[RYAN] So, you were able to diversify that product line at which part, at which point in the process?

[CATHRYN] So, the end of 2017 I basically was burned out. I went to Thailand, I did Eat Pray Love. Actually, it was right after the Capitalism Conference. I was going to Thailand four days later. I was so tired, and that was kind of the change for me where it was like, I got back, the business partner kind of stepped out in March/April of that year, and by the end of 2018, we had ... basically, that was the year we were doing a lot of that stuff.

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And then, when we first were testing a couple of products, it's funny that you say our brand is always perfect because these are ones that we did in the US and we were just testing if people would like them, they were the first versions of the decks, and they were not ... they were like MVP which I wasn't happy putting out, but we had to test it.



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So, once we realized oh, this is actually something people love, the next year, we upgraded the quality a ton. And what was crazy was that since we printed locally in the US and every two weeks we paid way more for these units to look was shittier than what we have now, and that's when the sort of turning point became like, okay, being your best self is about all of these different areas, and how do we help people with each thing.

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[RYAN] That makes ... so, the shift there was you went from being a product to focusing on a person.

[CATHRYN] Yeah.

[RYAN] And you were focused on one goal, and in your own journey saw that you were the person. You developed the first product for yourself, and now you're on a new journey, you started a different adventure of addressing a different area of your life, and that opens up new product ideas for you to tackle. It sounds like that is what made that company a little bit more balanced and whole.

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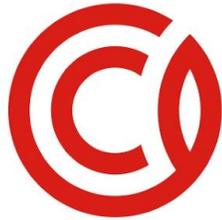
[CATHRYN] Yeah, because we're all selling to people. If we fall in love with the product ... I also ... people don't love carrying a journal around, I mean, most people. They want to hit the goal or they want to get the end result. So, it's a mixture of not falling in love with the idea of your product. Falling in love with the customer and what they can create with it. I always go back to the whole Blockbuster/Netflix thing. It's like, people love coming to our store. They could have bought Netflix for \$50 million and they said no, and then they didn't realize people wanted a selection of movies however that worked and they were just so in love with the idea of people want to come to the store, which seems so dumb now.

[00:38:40]

And so, for me, it's like, are people going to have journals all the time? No, they basically just want to hit their goals. So, right now, I'm thinking of, what's the next iteration of what it is that we're doing because it's going to be very different to what it is right now.

[00:38:54]

[RYAN] I love that. When you marry the person and you're just there to serve the person, your product doesn't matter. So many people get overly romantic about their product when the customer doesn't really care about your product, they care about the journey that they're on



and your job is to free them up to go on that journey. Sometimes that's a journal, sometimes it's other things. It's that person. I remember one of the first conversations we had, early on, which was a conversation of, are you a journal company, or are you a personal empowerment company? And I remember that flip, and you have continued to grow from that point.

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[CATHRYN] It used to annoy me, like, I'm a journal company, and like, no you're more than that. But, it's been a process and I also think the shifting to another side of what it is people are looking for, because if you think about, we go to school, we go to college and we're all very focused on work and business goals. So, that's where I started because that was what was driving me at the time, that we all grow up and are taught that that's the most important thing.

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But, then you get there and you're like, oh, wait a minute, I thought I was going to be happy when I get to this point, and I'm still ... so I think there's a whole generation of people who are hitting that same thing of ... they go for the thing they've been told their whole life will make the difference, and all of the other pieces are missing, so it's like, what now? And that's what I faced and that's kind of ... it was kind of easy because I'm starting to [INAUDIBLE 00:40:34] to myself of oh, what would I like differently now?

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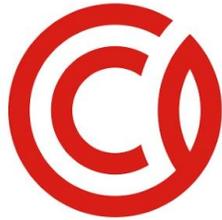
[RYAN] Yeah. So, my observation is, you became conscious of the fact that you were the person and so many entrepreneurs, the number one conversation I have with entrepreneurs is on the difference between product and person because they get myopic about that product and you didn't have a person knowingly, but it was you the entire journey, and then something happened that made you aware of those other things.

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So, knowing that you're the person, how did you keep the customer list and the audience interested and engaged? I understand that at the beginning, you're just documenting the journey and that gave you the seed audience to grow. But a lot of people have discovered you since then. So, how have you kept them interested and engaged?

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[CATHRYN] I think part of it has been telling stories around the product or also sharing how other people have used it to do something. So, it started as, oh this is something that I've done. I didn't have anyone else. And then, it became more of sharing other case studies and telling stories around it, and also the idea of allowing people to create their own version of



their best self, because for a while, when we grow up we might have one version of what that looks like, but then we realize, actually, that's not who I want to be.

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There's actually a lot of room in this space where people aren't focused because it's easy if you're like, make more money online, buy this product, hit your goals. That is almost something that people have grown up with their whole life, and then when they hit it and realize it's not what they needed, they're looking for more and they're looking for more products or stories or things that give them more meaning, and I think that especially now more than ever, you need to be able to share that with them.

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It's like, back in our parents' age, you could just buy a towel and it didn't have to mean anything else. Now you have to buy a towel and it feeds another towel to someone else and your money somehow needs to stretch so much further because we don't have the same ... we're hanging out with a village of people. We're so disconnected because we're all online that we're looking for way more meaning in the things that used to not even need to mean anything.

[00:43:06]

And so, I think, giving people that through stories and products, and just giving as much value as we can without expecting anything back. So, one of our emails we send out is motivation Monday and we don't sell any products in there at all but that's one of our highest email posting even though we literally have no products in there, it's either a blog post or stories or a case study of someone that's doing well or they hit a goal or whatever it is. It's just funny because that's the stuff that people actually care about.

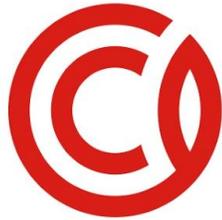
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[RYAN] So, in that case, you're really celebrating the progress and results of your customers.

[CATHRYN] Yeah. You're making your customers the heroine story and not the product.

[RYAN] What is so beautiful about this is, once again, you're not faking any content. You're not like, five new ways to use your journal, which is what most people do with content. In this case, you're just showcasing the customers on their journey which is bringing more people in to start their own, and you can just get out of the way in that case.

[00:44:19]



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[CATHRYN] Which is much easier than ... I'm using the journal for trading. Like, oh, tell me more about that. So, then you're just telling the story of how someone else uses it which gives people other ideas. Also, sometimes people need ... I don't know if the word is permission or just ... they can't imagine using it differently, and then they see another way it's used, and they're like oh wait, I actually could use it for this thing.

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And so, giving people examples of how to use it differently because it's pretty flexible, but a lot of times people are like oh, here's a blank page, I don't know what to do with it. And then you show them, and they're like, oh, I can totally do this.

[00:44:58]

[RYAN] Beautiful. Well, Cathryn, you've done a beautiful job, a wonderful job. You're one of my favorite entrepreneurial case studies and stories, and one of my favorite human beings, so thank you for sharing with us.

[CATHRYN] I appreciate being on here again. I always get good feedback from your audience.

[RYAN] Is there anything I haven't asked you that I should have?

[00:45:20]

[CATHRYN] Probably, but I can't think of it.