Scaling Up Services
Episode 234 - Jed Olson
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Jed Olson, Co-Founder, High Ticket Labs

Jed Olson is the Co-Founder of High Ticket Labs inc. In just a few short years after leaving a career in charity work, Jed has helped hundreds of entrepreneurs and service-based businesses generate over 50 million dollars in sales from new revenue streams capitalizing on their success & expertise. Jed believes that service-based business owners can and need to scale in a way that doesn't require them to trade more time for money. An avid Traveler, he's had hippos dictate his curfew, knows the right way to cook a scorpion and discovered 3, somewhat legally questionable ways to see the pyramids .

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EPISODE TRANSCRIPT

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[0:02]
You're listening to Scaling Up Services where we speak with entrepreneurs, authors, business experts and thought leaders to give you the knowledge and insights you need to scale your service based business faster and easier. And now here is your host business coach Bruce Eckfeldt.

[0:22]
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[0:58]
Welcome everyone. This is Scaling up Services. I'm Bruce Eckfeldt. I'm your host. Our guest today is Jed Olson, he is Co Founder at High Ticket Labs. We're gonna talk about the work they do helping companies

scale, we're gonna talk about the various elements of scaling what you really need to focus on. I always love speaking with other coaches, consultants, folks that work with companies that are in that kind of growth, scaling process, to kind of hear their take their perspectives, there's always something new I learned and hopefully something new for the audience here. I think we're going to talk about some really interesting things Jed and his wife have run a really interesting program. And I've worked with a lot of businesses. So I'm excited to see what they've learned and how they've kind of focused and their, their process and how they really kind of help businesses scale. With that. Jeff, welcome to the program.

[1:39]
Thanks so much, Bruce, I appreciate you having me here.

[1:41]
No, it's a pleasure. So before we dive into the work you're doing today, let's get a little bit of background. How did you get into the space? What's the history? What's the backstory? Tell us?

[1:50]
Yeah, no, Thanks, Bruce. You know, honestly, it's a bit of a weird scenario. For me, my dad was a entrepreneur in somewhat of a service based industry and construction. And I saw all the ups and downs that he had in business, and for a lot of the the successes and the mistakes. And then I kind of did my own thing, getting into the nonprofit world for about 12 years, was involved heavily in training around fundraising and a bunch of other development initiatives and things like that. And, as I, you know, start to kind of grow in that area of the nonprofit industry, I started to get interested in entrepreneurship and start to get exposed to different industries that also still need training in the nonprofit space. It's a lot about funds and people. And as I looked at the entrepreneurial and especially the service based industry, that is a common issue as well, it's it's usually a an issue about scaling with their capital or scaling with their people. And I saw a lot of those correlations there. And so I got involved with a company called adventure reach, I was there, technically, their first employee, if my old director of operations is listening to this podcast, she'll probably jab at me for this because she was a contractor beforehand. So I always have to correct that a little bit. So I was, I was in a very high growth phase with that company. When I first came on board, it was a $2 million company. And when I left last year, it was a $25 million per year company. So I've seen that growth phase. And, you know, I was able to also because it was a, it was a b2b type of business, I was able to work with a lot of clients who also were in various stages of growth, whether it was in the six figure stage, the early seven figure stage, and also a few of our high growth clients that were in multiple, eight figures at that point. And, you know, now we've, my wife and I, we recently decided to start our own consulting firm, where we're helping mostly service based businesses in that sector, see how they can grow and scale and I found, there's a lot of commonalities with, you know, the thing that I found with a lot of businesses is that there's typically a plateau at certain phases of your business. Usually, there's your first plateau in your multiple six figures, somewhere around like 250 to 500,000, there's another plateau, you hit around one to three or three to 5 million, and then your next plateau is in the 10 to 25 million and it keeps going up. You always have that scaling phase, and then there's like a plateau for it, where it where that growth stagnates. And if you don't know what a lot of times the the saying that what got you here won't get you there. A lot of that that cliche actually holds truth in a lot of ways. And so we've been helping a lot of these businesses that are at that plateau point, figure out how they can get past those plateaus.

[4:47]
I'm curious what you what you find is kind of the underlying dynamics of those plateaus is this, you know, around people is around strategy, are they processes I mean, what are the things that kind of end up creating the plateau or those ceilings for Are these companies? Yeah,

[5:01]
Bruce? Well, everything that you said is true. And I think that any expert that's going to tell you that it's just one thing is just trying to get you to drink their own Kool Aid. That's the the thing that I tried to bring to our clients and anybody that, you know, consumes our content is to show that this is a holistic process, when when you get to a plateau, you know, some of the commonalities that I've seen, particularly, you know, there's, there's one of our clients, actually, I'll give you the story with a hair salon, and she's at the around the half a million mark. And for her her next growth phase is to get ready to be a multisite, potentially franchise type of model. But in order to get ready for that, what we've noticed is there's two big things that we're helping her work on, which is number one, when we first started working with her, she had a very wide swath of services that she provided, even though she had very much niched down to just hair extensions, she wasn't cutting hair, she wasn't doing other salon services, and things like that. But she had a membership based approach. But she had about 20 different membership options. So and I saw Bruce, one of your articles was around simplifying in order to scale. And that's exactly what we helped her do to just focus on one subscription service. And on the other side, one of the other issues we found was that, and I think this is very true with a lot of service based companies that are very good at providing quality service, they almost get used to and start resting on their laurels with having word of mouth and organic reach a relatively good SEO, and they're just okay with that kind of marketing. And if you want to really grow and scale past into the next stage, you really have to have multimodal marketing efforts and start really focusing on revenue generating activities and not just think that business is going to naturally increase because you're doing a good job with your services.

[6:55]
Yeah, yeah. So I think there's there's a couple of questions. I mean, what do you think it really gets in the way of some of these folks? I mean, when you actually start to dig in with some of these companies? Like, what is the thing that's holding them up? Is it? Is it the kind of how they're approaching it? Is it their assumptions they're making? I mean, what is the work that you end up doing with these folks to really get them to change their approach and change the strategies they're executing on?

[7:18]
Yeah, so I think there's there's two primary elements that I think I see a lot of the time. One is that they don't necessarily know how they got successful. And I feel this is, there's a, you know, I can't tell you how many entrepreneurs and CEOs that I've talked to, and I asked them, like, what their early stages of growth were like, when they first started, whether it was, you know, they were taking over for somebody else, or whether they were growing their own thing from the ground up. In both cases, they almost look at it through rose colored glasses, or they just think about, like when they got their first win, they don't think about all the struggles that they had. And so what I walk them through is this process of showing, okay, well, let's put a system let's take your success. And let's document that let's put a framework around that success. Because if you can put a framework around something that's going to help you grow a lot better, when it comes to knowing what systems need to be in place. For instance, you know, I see a lot of people try to put in SOPs without having an overarching framework. And I know like Bruce with what's your, you work a lot in Agile, right? And a lot of lean systems. The reason why that's so successful is because it's a pre existing framework for how to grow systems. And I think that if you pair it with an external system, like agile or something like that, and you also

have your own proprietary framework, if you can identify that, and systematize that and put a framework around it, that's really going to help you get to the next level of success. I remember, this was outside of the service industry, it was an E commerce business. And they were wanting to get into a new sector. And the thing that we mainly did to help them scale was just that they didn't realize what made them successful. They didn't know what their main strengths were. So we walked through it. And then we noticed that the main thing they were good at in E commerce was marketing. And so we help them put a framework around how they were doing marketing. Well, what were the three big buckets that they were doing really good in marketing, that they could then double down on to scale to the next level. So sometimes it's really about reflecting back on what you've done well, and putting a framework putting a system around that. So then you don't have to be the one necessarily that's always been the one to do that, you know, you you can now that you've put a framework around it, you can train your team members, you can get other people to to grow that way in the way that you already did it. It's kind of a delegation process and a lot of people when they're getting past those plateaus that art of delegation can be hard to really master.

[9:51]
Yeah, I'm curious when you first work with a prospect or when someone contacts you interested in scaling your business. What are you looking for in that? person, are there any kind of tell tales for you that says, this is this is gonna work. They're, you know, they're ready. They're they've got the right mindset, they're asking the right questions. And is there anything that you are kind of red flags for you have folks that, you know, might not be possible or extremely difficult because of kind of how they're thinking or how they're approaching things?

[10:20]
Yeah, I think the main thing that I look for is are they do they have a growth mindset. And when you know, I know, that's a bit of a trendy word, sometimes the way that I define a growth mindset is they are not satisfied with where they're at. And they will seek advice, even if that advice is contrary to what they think needs to happen. So there's a level of humility there, there's a level of not wanting to just continue with the same old same old stuff, you know, one red flag that comes up for me is, if it's a struggle to convince them to do something that they haven't done before, you know, that could be a common thing is in marketing, that's probably the where I get the most amount of pushback is if I'm like, telling them to do a grassroots approach where they need to look at high level business development partnerships, or they need to, you know, do what we're doing right here getting some some PR opportunities and things like that. And they're resistant to that, because they're not used to that they're just used to organic SEO and business just coming through the door. That's a red flag to me, because they need to be uncomfortable in order to grow. And I think that's the case with all of us. But some of us, if we've had a certain level of success, we start to get used to that comfort. And we don't really want to go back to the discomfort that was at the beginning of that growth phase for us.

[11:42]
Yeah, let's talk a little bit about service businesses. I mean, you mentioned you've worked with several different types of businesses, but primarily service, what is unique about service businesses, from your point of view, and particularly when it comes to kind of scaling or growing them, the main

[11:54]
thing is personnel for me, because in order to scale, pretty much any service, you have to provide a service, right. And I mean, there's a few exceptions to that. I mean, SAS definitely comes to mind. And the digital services, they're a lot more scalable than your average Mom and Pop chiropractor or hair salon or even a marketing agency, a lot of these other service based businesses that make up a very wide amount of at least

the US business for us, they don't have the luxury of just getting more inventory, their inventory is their hands, it is their expertise, it is their brains. So that is probably the the biggest obstacle. And the way to overcome that obstacle from what I've seen is around having frameworks around having systems around developing intellectual property that you can then either license you can franchise you can certify, there's a bunch of different ways that you can utilize a framework in order to essentially delegate your services out delegate your fulfillment.

[12:54]
And what are some of the challenges that I guess you've helped clients overcome? And if you have any kind of examples of companies that you've worked with how you apply these things? Yeah,

[13:03]
for sure. So one that comes to mind is a marketing agency that we've been working with. And one of their growth phases that they're in is to go into a different different markets. So they're getting out of just focusing on marketing, and they're getting into leadership development, for instance. So what we've essentially helped them with on that side, outside of there's the marketing side, of course, but first thing that we always focus on with any client is what is your intellectual property. And a lot of these businesses don't think about it that way, especially in the service based industry, because they they just view as what they do is that's just what they do. It's it's just something that comes natural to them. And so we help them, you know, that they had a book out, luckily, so they at least had some idea of like how to put something into a framework. And we help them evolve that into a variety of different services developing, we've been helping them develop workshop series for them to provide different leadership services, whether that was to smaller companies to, you know, corporations of 250 or more, so they can provide consulting, and we help them see how they can essentially apply one framework that was in their book and grow that into his whole suite of services, whether it was, you know, an online course, whether that was a series of workshops, or that whether that's a certification program is something that we're exploring. So we're looking at how you can essentially package a framework and then expand that into an entire suite of services depending on what it is. And in this instance, it's going from an agency model, which is very hard to scale because you know, you have to have a bunch of copywriters, ad buyers, you know, graphic designers, all these different things to service each client, and instead we're helping them grow. It's more of like a consulting coaching arm to kind of be like the next Eos, if you've heard of that company. So we're helping them kind of competitor in that space. Yeah.

[14:51]
And tell me a little bit about how you actually work with clients. I mean, when you engage with folks or is this one on one coaching, are you putting them through programs are you doing group work? And how do you actually deliver these services? And how does that work for you?

[15:04]
Yeah, so for us right now, we're definitely taking our own medicine, I guess you could say. So we provide a lot of those different services that you mentioned, the main one that we're doing at the moment, just as where we're at in our current growth phase is very high tickets consulting. So we sit down with folks typically for a full day strategy day, and outline these three critical areas around their intellectual property around the different growth systems that they have, and what marketing they're doing, and help put a plan together to get past those plateaus. And then we essentially meet with them every single week. And we have a list of to dues that they we need them to do. And we also are part of that process in more of a done with you type of fashion, providing different resources. If there's things that we've done and seen with other clients, we bring that to the

table, and all that. And then we start typically like a quarterly rhythm on reevaluating those things in different strategy days and things like that. So that's our the main way that we've helped most of our clients, although we are getting into the more traditional, like one on one coaching space, that's a little bit more like, hey, you know, let me know what's happened this week, here's some suggestions, here's some resources for you to be able to move on with that. So that's the main way that we're delivering to clients. And we're looking at ways, of course, that we can scale into more group models as well, in the future. You know,

[16:18]
when you look at some of these companies out there in the service sector, like are there sort of archetype paths that you you find like, if you're a kind of an agency, you should go down this route? Or if you're, you know, a salon or a location based sort of service, kind of like a salon, something like that you should go down this route, like how patterns do you see some of these growth strategies versus how much it really kind of depends on the underlying kind of business and the people involved?

[16:43]
Yeah, I'd say that there's definitely a lot of nuance to it, I'll kind of give you like an example with the marketing side of what we do. So the three buckets that I typically focus on is short term, midterm and long term approaches. The short term is a grassroots marketing approach where you know, especially if you are in the up to about 3 million, if you're anything below 3 million, you really need to be expanding your network consistently. Now, of course, the difference between a multiple six figure company that's going to networking meetings and getting on podcast versus the $3 million company that's trying to find new affiliates and business partnerships, that part is definitely different. But the overall idea of grassroots marketing and rubbing shoulders and talking to people one on one, that doesn't really change. But once you get past that, then you're really going to be focusing a lot on the midterm and long term strategies like brand building, content development being seeing as an authority in your space, and also seeing how advertising and paid marketing channels can also assist there. So I think it's mostly around the phase of business that you're in, and what strategies we try to implement over there. When it comes to the growth systems and IP, I have yet to meet a company that has their frameworks fully dialed in. Even if they're a very rigid, SOP driven company, they usually just they have it not very well organized. And from what I've seen, so that's almost a default, every time that we go in with a company. I've seen this with $150,000 company, I've seen this with a $3 million company where we go in and we look at their how they define their intellectual property, how they define their frameworks and processes. And we usually have, we're usually starting in the same place in that six figure company or that multiple seven figure company even so that's one that I think is relatively typical across the board. Yeah,

[18:31]
you're you're talking about SOPs and things I'm wondering any technologies that you've found you sort of pretty universally applicable, because I know, you know, a lot of folks are, you know, they get to the point where they, you know, they've got their contacts in a spreadsheet, or their process is in a Word document or something like what are some of the kind of technical things that you end up kind of focusing on? Or recommending to folks? And is there any kind of go twos that you'd recommend people look around?

[18:55]
Yeah, for sure. That's, that's definitely a common issue. I can't tell you how many really ugly spreadsheets I've seen over the years. So sometimes, it's like, sometimes we just start like, okay, let's at least make this prettier. Let's do that. Let's make this more organized. But after that, yeah, we definitely want to get them into something that's more like a Asana or a monday.com for project management. And then when it comes to

organizing where things live, you know, one that I've recently been exposed to that I had good amount of traction with one client is Guru, which is for documenting processes. The one that my old company used to use was process IO. It's all right. There are certain elements that I don't like as much, but I think it's, it works for what it is. And honestly like for like my multiple six figure businesses, if you use something like Evernote that's leaks better than just using a Google document or a Word document. So even if I can just get them on something like that, that's definitely a win.

[19:50]
Yeah. And in terms of, you know, kind of the underlying kind of other systems they really need to improve. I mean, what are the things that you find kind of need to be revamped? I'm gonna I'm thinking of things like finances, and you know how you do your forecasting or even just how you kind of track expenses. So you can kind of understand really what your pricing and cost basis is for things. I mean, are there other things that you typically kind of have to go back in and retool or reengineering companies? Yeah,

[20:18]
for sure. So I'll give you two examples. So one, we had a client that was really wanting to dial in their, their marketing and the steps to go from awareness to customer. And what we realized is that this person was completely relying on their intuition of thinking how many clients got in the door, essentially, like, oh, well, I think we had about five or six people come in the door today. So I think we're doing pretty good. And I see on Google analytics that we got 100 visitors in the past week. So we must be converting at this. And so we essentially build out a whole reporting dashboard for them for each step of the marketing process, from awareness, from website visits, to lead magnets to, to consultations to actual buyers, and that has, like, even it's funny, like, this happens a lot in the health space. You know, I used to be a personal trainer about seven or eight years ago. And the the mantra that just tracking, what you do makes changes is real. It's because even when you start tracking your conversions and things like that, like just the tracking of it, you will see changes, because you'll be aware of what is really happening. So on the marketing side, absolutely, we need to make sure that we're building out these processes and ways to report on this data. Because a lot of companies that are very successful if they're not getting accurate reporting, because they're just a lot of entrepreneurs out there are very intuitive and you know, a lot of their times their intuition is correct. But it's usually a lot better if you can track that intuition versus just being going from the gut all the time shooting from the hip. The other example is in the customer experience area, my former official title for my previous company, as the director of customer experience, and thing that I see a lot of times is that people have documented processes for how to react to a customer situation, and not how to be proactive around it. So you know, I remember looking at some SOPs, where it's like, okay, if the customer is unhappy about the service, here's the things to do to de escalate the situation. And I looked at that, and I said, Okay, well, what's the proactive process?

[22:21]
How do we just prevent them from getting unhappy? Yeah, how do you

[22:25]
prevent it? And even in the event that you make a mistake, how about you own up to the mistake first, because that will, that will deescalate the situation completely? Because if you're owning it, and you're already providing a solution to the customer, then you're usually going to take care of at least 80% of escalation issues in the customer service area.

[22:45]
Yeah, no, exactly. Let's talk a bit about marketing, because you mentioned it a couple of times. And I'm curious, I think you had a comment that, you know, most people rely on word of mouth too much, or for too long, and that it really becomes a bottleneck. I mean, what are the other strategies particularly for for service companies that that you're, you know, investigating, or you suggest that they look on or, you know, that they should consider when trying to figure how to take the business to the next level?

[23:09]
Yeah. So I think the first level if especially if they're a word of mouth based company already, is to be proactive about it. Most companies are reactive with their word of mouth, they're just expecting their customers to recommend them. They're just expecting Google to continue to provide them a good results when it comes to their Google Business Listing. But they add some proactive elements to it having a referral program, having a rewards or loyalty program put in those kinds of things can really amp that up. And then the next step that I would have them do is to start putting out regular content to an email a start, if you aren't capturing your customers data, which you know, most of the time, I don't see it that bad, where they don't even have their customers data, I've seen a few of those, but most of the time, they have some way to communicate to customers. So my next step with them is to regularly communicate value to those customers with whatever that that service provides. So you know, in the instance of that hair salon I mentioned earlier, it's it's different hair tips to you know, keep your hair extensions from going bad or something like that. So having that top of mind marketing is really something that I think is underutilized, especially in a lot of service based industries. And they don't realize that they don't even have to get into paid advertising to be top of mind, if they already have an established database. And if you pair that with a good referral program, and some regular promotions that happen, you know, I would say once a month to a couple times a quarter, you'll start to see those results come in, especially of course, if you have metrics in place to track that progress. That would be the first thing that I would do if you're just relying on word of mouth.

[24:45]
You know, what if someone is, you know, on the fence or thinking about scaling their business, they're not sure exactly how they're not sure if they should, what are some of the questions they can be asking themselves to kind of, you know, figure out if it's something they really should proceed with and what they need to kind of be aware of assess how much work it might be, like help someone kind of diagnose themselves? Yeah,

[25:04]
I think the the first question that I usually ask is, where do you want to be in five years? Do you want to be, you know, moderately more successful? Do you feel like you just want to be in the same place? Or do you want to grow, and there's two places that I would focus on the growth. For some people, it's all about the revenues. And you know, for most business owners, I feel that that's a lot of it. But you know, with some business owners, it's actually about getting back the time. And so the growth isn't so much around the growth in their revenue, it's more about the growth of getting their time back. Because a lot of service based businesses, it doesn't matter what level of growth they're in, a lot of these owners and CEOs, they're, they're working overtime, most the time, you know, they we got out of the nine to five so that we could start working 24/7. And the more that we can help them not do that and get some of their time back. I think that's one of the biggest polls on scaling your business, because the more you can get your business scale to a certain level, because it's not just about the revenues. It's about having the peoples and processes and systems to make it make the business work for you versus you working for the business.

[26:09]

Yeah. Good. That's been a pleasure. If people want to find out more about you about high ticket labs, what's the best way to get that information?

[26:15]

Yeah, so you can go to high ticket labs.com. And I've also have a rev scale diagnostic assessment that people can take if they go there. And this is a two step assessment that we've proprietarily worked on, that really helps people get diagnostic on whether they're ready to scale, if you know what areas they need to be scaling in. So if you want check that out, once again, it's high ticket labs.com.

[26:39]

That'd be great. I'll make sure that the link is in the show notes. Encourage people to go check it out. Jed, this has been a pleasure. Thank you so much for taking the time today.

[26:45]

Thanks so much for your time. I appreciate it.

[26:47]

Thank you for tuning in to today's episode. Be sure to subscribe using your favorite podcast app, so you don't miss our future episodes. See you next time.

[26:56]

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