

## ShoeMoney PlayBook Chapter 2 -Building Your Team

Hey, look at you all interested in this. So, welcome back. And the first part of this is going to be about building your team and you're going to probably see me look at notes. This is the actual manuscript for my book, which is severely outdated. But you'll probably see me look down or grab this. Again, the production quality of this is extremely high as you can tell. So I do have a whiteboard behind me. It's actually my whole wall here is a whiteboard. So the reason I did that is because I'll probably draw and write illegible things on there from time to time.

So, first thing is building your employees. When I first started I hired my mother-in-law and it was really just out of necessity. I didn't know who else to hire. And the one mistake I made with her was that she was a very part-time bookkeeper. My books were a mess. I mean I didn't know what the hell I was doing. And so before I knew it I was - she was becoming a full-time CPA and pretty much out of her league, and had no clue about internet stuff and all these things. And I had all these different forms of revenue coming in. Once we get into the monetization video you'll see what a freakin' mess it was.

But - so how do you build a team, right? How do you hire employees? The first part of it is really what I look for is work ethic. If somebody has a good work ethic then everything else is possible. If you can't - well, you can't teach work ethic, right? So as I've looked for over the years is I've looked for people who actually were from farming communities.

Being in Nebraska, that's pretty easy to be honest. But if somebody comes from like an outlying area then there's a chance they grew up on a farm. And if they grew up on farm then they grew up working hard. And they grew up getting up at the ass crack of dawn and also being very passionate and having a stake in what they're doing. And because, you know, the farm is the family business and everyone has to help. So there's no option not to. Everyone is a part of it. So taking that work ethic and applying it to my company is something that's a huge benefit to find people like that. It's taken me a while to assemble a great team.

Another really big thing when building a team is to look for people who are not unemployed. I know that sounds a little weird, but when you find someone who is already a rock star somewhere and you can bring them in it's really awesome. Now, if you're just getting started obviously you don't need employees and you can do that kind of stuff. But a lot of times - I get this question a lot, is how did I know how to hire the people I have?

Because as you may or may not know, I have an event called the Elite Retreat and that's really the one time where I showcase my employees because all of my employees are there and they get to help everyone. And everyone's like man, you're employees are just - they have great energy. They have an awesome mood. How do you do it? Like how do you do - what's the culture?

Honestly, I'm really transparent with my employees. They - any of them could probably tell you some of our revenue statistics. I do profit sharing with all my employees, not a huge amount. I bonus them a lot. Sometimes when I - when they need something, you know, I'll just take care of it for them. You know, and we're kind of like - not to be cliché or corny, kind of like a family, right? I mean that's kind of the way it should be and everyone says that but I think any of my employees, they all really care. That's a huge commonality between all my employees. And they really encourage me to do things and make me a better person because they're better.

So that's how I hire people. How I fire people, this is something fortunately I haven't had to do a lot but it's one thing - probably fired seven or eight people. The biggest thing is once you know somebody isn't a good fit, you've just got to go. You've got to cut the head off. It doesn't matter. I've had people that I thought oh my gosh, I cannot do without this person. And the one thing I found was by the time I released them it was the best thing I ever did. And I could live without them and they were replaceable. And I can tell you there's nobody that you can't replace.

Another thing I'd like to share with you is something that I've found sharing with others has been really beneficial. And that is that the torture you put yourself through - and this - this really could apply to about anything in my life - is that - and this is - if you read the Getting Things Done book this kind of comes from that as well - is that once you think about you have to do something, like fire somebody or anything, you file that away in what's - what they call the inbox or something like that. And you know that you'll get to that and you don't think about it again. Because what I'll do in regards to firing people is I'll go through this whole thing in my head, many times, about - just about I'm having this conversation with them. I'm bringing up things. They're bringing up things. It's - I'm getting mad, whatever.

And you go through this in your head like probably ten times before it actually happens. And you put yourself through hell. And you stress yourself out. And this could even go for you guys who are employees who want to talk to your boss about something. I know you're having this conversation about what you're going to talk to your boss about and you're picturing him being pissed at you and you're rebutting and all this stuff, all in your head. But when you finally do it, what actually happens is never as bad as what you've put yourself through.

So the point to this little part is that when you know something has to happen, whether it's firing somebody, asking for a raise – in this part we're talking about firing people – but you've just got to do it. And you sit down with them. Now, a big key that I've learned is that when you fire somebody it's never about one thing, right? It's usually something that's built up, sometimes over many years. And it's not – it's never about one instance. It's little things that have pissed you off over the years.

And so when you sit down with somebody you want to be really careful when you let them go, because they're going to want to know what they did wrong, right? You want to always keep it very vague. And what I mean by that is you don't want to say, well – because they're going to say like give me – just give me an example of something I did wrong. What did I do wrong? Give me an example.

The worst thing you can do is name one time. You don't want to name any times. You want to just say you know, it's – you know, I just – I just – just you know and I know it's not a good fit. You're going to do much better somewhere else. And, you know, I wish you the best of luck. And keep it short and sweet, because what happens when you name one specific instance they think that's the one thing that got them fired.

So for an example, if I'm going to fire Jimmy and I'm like Jimmy, you know, it's not working out here. I'm sorry, you've got to go. And Jimmy's like what? I can't believe you're firing me. I did all this stuff and it's – everything's been awesome. And I'm like yeah, you know, there were great times, you know? And he's like I don't understand. Can you give me one example? And Jimmy knows. I mean people know when they're fired it's – it shouldn't be a surprise. And then you say well, remember last week when I asked you to do this thing and then you didn't check back with me and I had to hound you about it and then you didn't check back with me and I had to hound you about it? That pisses me off, you know, and that's, you know, great –

Well, then Jimmy says yeah, but – so it becomes about this one thing. So then Jimmy has it in his head forever oh, Shoemoney fired me because one time I fucked up and – I did drop the f-bomb there, didn't I? Sorry. You might – might hear that a couple times in the video. So sorry about that. Anyway, so Jimmy's going to go around and tell everyone you know, there was only – there was one little time I messed up and that's why I got fired. And that's BS, because I didn't – So, my whole point is when you're going to fire somebody don't – just keep a very vague, very open thing. And you're going to find that – well, I've found – [INAUDIBLE 0:08:51.4 sounds like: I still [INAUDIBLE]] with the gestalt protocol stuff – but I've found that doing that is so much better.

Now, this is a part also about culture and building a team. A big thing is to – because a lot of people will say to me well, you know, how do you motivate people, right? I get that a lot. How do you motivate people? How do you keep people focused on good things and how do you keep them interested and all that stuff? There's a couple things.

One is – and this is a – this is a really big one – do not yell at people when they screw up.

Do not yell at people when they screw up. Follow me here. Instead, when they screw up – like let's say – and I'm going to use fictitious names. Jimmy, Jimmy's a good one. So Jimmy comes – you know, Jimmy last night backups didn't get done on a server, OK, or whatever. So Jimmy comes to me and he says – or I go – I figure out that backups weren't done, a server crashed, we had no backup from last night. We had to restore from a couple days back. We lost a lot of data. That's not good.

So I say Jimmy – there's one of two things I can do. I can be like Jimmy, you dipshit, what are you thinking? This is going to cost us so much money. You are a complete freakin' moron. You know? And just bitch at him forever. And that's one way to handle it. The way I like to handle it is I like to say Jimmy, not sure what happened but you always do a really good job at backing stuff up. And I mean I know you have it in you to do it and obviously you're going to make corrections in the future to make sure that this gets done and done right.

So a big thing with that is Jimmy, it really reinforces that this isn't like him, right? This isn't typical of him. This is positive behavior. It always bugs the crap out of me when I hear people say, you know, you're always screwing up. You're always doing thing wrong – things wrong, because it reinforces that you're doing – that's who you are and you're going to continue to do things very poorly. So that's a way to kind of – I don't know – discipline I guess might be a word for it.

But that's a – one way that I've learned to keep people interested in the company and not get them bored or stuff like that, is to sometimes work on projects with your team that might not be profitable. And I've done a ton of projects with my team. Right now we're working on a fun one with our local police department posts – this is just a crazy – I'm going to give you a couple of offshoot examples. Our local police department posts in real time calls that they respond to. But they only post the last five. So what we've began doing is scraping them off of their website and we are – we're archive – we only have a couple months now.

Eventually I'll probably post about it and you'll see it. But I don't want to – if the case ban us I want to get a lot of data first. So that's a fun project because we're

actually - it shows the address they're responding to. It shows - you know, it categorizes it as assault or whatever. And so we're actually making a site where you'll be able to look by category. You'll be able to search. You'll be able to see on Google Maps like where's the most crime ridden area. There's nothing like that in my area and it's all real police data. So that's a fun project, never going to make us any money.

Another fun project, one time one of our employees said you know - you know, Jeremy, your Facebook account you have 5,000 friends. But how do you know like which ones don't use Facebook or, you know, you can't add anymore friends because 5,000 is the limit. And so I said gosh, that would be a cool service if we made something that goes through your Facebook account, finds people who have the default, you know, the silhouette thing because they're not using their account, and puts those people into a category so you could go through and delete them. Another thing would be to take like the top say 25 percent of people who haven't updated or posted a status or anything like that, put them in another group, right, so you could go through and delete them. And we called it Face Douche, right? So don't be offended, because it's actually cleaning your Facebook account, alright?

So those are two - just a couple examples of many things that we've done. We - we usually will have like a - kind of like what Facebook does where they call it hackathon where they say - usually every Thursday night I'm here. I buy everybody pizzas, whatever. And we just - we code something. We create a site from start to finish, whether it's Face Douche or, you know, the Lincoln's Got Crime or whatever we're going to call that or - you know, we've done just so many over the years. And I think that that's fun.

And - and your employees, if they're good - if they're good for you and they're invested in the company, they're going to have fun just creating stuff that people will use. And I mean we're talking about things that - I mean we've got a Twitter service that gets used, you know, by - I think it's something like 300,000 people every day. And so when we had AuctionAds, that was something we did for profit but it's really cool to know that a lot of people are using your stuff. And so that's something with the culture and things like that.

So, that covers a lot. I also - I mean just some basic stuff, it's really important to do quarterly reviews. And again, I'm talking to people who are mindsetted like me. I don't - I never knew how to run a company. I don't have an MBA. And as we go through this you'll kind of realize my mentality towards a lot of this stuff is so much different than what your regular person who has an MBA and all this stuff is. I'm very impatient, very impatient. I think some people would say I'm - I have unrealistic expectations. It's probably pretty true. So, you know, I - I've - I've gotten a lot better over the years but I'm really trying to reach the person who's like me.

So quarterly reviews, sitting down with people, just, you know, make them say something what they really like about the company. And then make them tell you something that they're just not happy with. Ask them if there's anything they need that you can get them. Just be their friend, you know. But be their boss.

That's another really good thing, is you don't want to cross that personal boundary, right? So I don't go out with my employees even though I want to a lot. It's this - Lincoln's a small town like in Nebraska where we're at here. But I really try not to cross too much. If they talk about their personal life I try to zone out. There's a line there, and when you get involved too much in people's personal lives it's not a good thing and it never ends well. And then you become more of a friend than a boss. I mean these people - at the end of the day they do need to see you as an authority figure, not as a buddy, drinking buddy or something like that. OK?

Also, I provide tons of food, snacks, pop, Red Bull, coffee. Anything anyone wants to eat, we just add it to the grocery list and I provide it. That leads to another really good thing, which is benefits, employee benefits. Everyone here, I pay for their cell phone. And it just goes on our company plan. It's the best data plan that they offer every time, so unlimited texting, unlimited voice, or the highest plan depending on their carrier because not everyone has that. I pay for their phones, you know, like whenever a new iPhone comes up everyone goes there. I buy them phones whether or not they can upgrade.

You know, I - like I said, I provide food and everything like that. Usually once, twice a week I'll take everybody out to lunch or breakfast or I'll say, you know, hey, if you want, be up by 8:30 in the morning. I'm meeting you - let's go to Village Inn, you know, I'll buy breakfast. And we don't really talk about work. We just talk about, you know, how's everybody doing or whatnot. And usually it always goes into work, but we kind of talk about the bigger picture, you know, what are people doing for Thanksgiving, what are people doing for Christmas, or whatever that time of year it is. Just stuff like that.

So I think it's important just to - I - I've made mistakes in the past of thinking that paying people more money solves all problems. If someone's not happy, if someone, you know, whatever, oh, you just pay more money and that'll make them more happy. No. It doesn't. In fact, it just does the opposite. And I've discovered that painfully over years.

And another thing is don't elevate people to the point of incompetence. That's a painful lesson for me. I always want to be the hero to people and so I'll take somebody who starts as a - well, one employee of mine was a 20 dollar an hour person. I made him a millionaire. Literally, swear to God. I thought that was the

right thing to do. It was the worst mistake of my life, right? I would never do it again. Another person was – another – gosh, there's a lot of different things. Another person came to me as like a ten dollar an hour assistant and within three years I made that person very high up in my company. And they were making over – over 100,000 dollars a year.

Bad, bad, bad, mistake because what happens is, is when you keep promoting people who have no business or experience the job – those kinds of jobs, it's – you promote them to the point of incompetence. That's all I can say. Eventually if you keep promoting someone – like if you made me CEO of some company, I have no freakin' clue what I'm doing but I'm going to act like I have authority over everybody and I know what I'm doing, right, because I have that position. And that's what happens. The people who – when you elevate somebody who is an assistant to an executive job, they're now going to act like an executive and never get their hands dirty, think they're too good to go get you lunch or to take out the garbage or stuff like that. So don't do that. That's totally going against my protocol but that's what I've come to find out is that that's a bad mistake.

OK, so that's how to hire people, how to fire people, and kind of building you team. In the next installment we're going to talk about conception. We're going to talk about coming up with ideas. We're going to talk about how do we decide which ideas are worth going after and which ideas maybe we should give up on. How do we test them? How do we – you know, how do we figure out stuff?

I mean the biggest thing is people always Shoemoney, you know, how did you – how did you know – how do you continue to hit homeruns all the time? Well, I try a lot of things that don't work out but I know when to stop. And that's the big point of the next chapter. So, I'll see you in the next video.