

ShoeMoney PlayBook Chapter 5 - Building Your Project

Hey everybody, welcome back. I'm excited about this particular video because this is the actual building your shit, building your stuff. Sorry for the cuss word. But I get excited about things and sometimes they fall out there.

So in this video - excuse me, sorry about that. In this video I'm going to talk to you about how to build - well, I'm going to talk to you about how I build websites. So again, speaking from gestalt protocol, I like to always, you know, share how I do things instead of tell you what you need to do because I think a lot of people find value in that when you share from your experiences and not some theory or where you read something someplace. Because I've - I've been doing this for going on nine years and like I said, we've sold many companies, some for millions most - I think almost all for six figures at least. So anyway, I have some - and I've learned a ton about where I've screwed up and - and those have all been amazing learning experiences.

So today I want to share with you how we build a site, how we build a product, right, no matter what it is. The golden rule that I like to stick to is keep it simple, stupid, or the - somebody else came up with that, but the KISS rule. And really, I mean when you - when you build something, focus on simplicity. You can down the road make it as complex as possible and when you do that you're going to want to focus on some of those tools we talked about in the other video where you actually measure the results. As you implement more stuff, more complicated things you're actually watching what happens.

So the first thing we do when I come up with something - and you've already seen the conception video or you should if you haven't, to come up with the idea, but - so once we have the idea, we're excited about going forward, that we know our goals, we know everything else, we - I'll actually sketch it out, right here on the whiteboard actually. And I'll sketch out the end result, right? This is what the end thing - I'll kind of wireframe it out, where I picture people doing and all this stuff, and then work backwards, OK? I'll also do this in a Google document sometimes where I'll - or any sort of drawing. I have one of those Wacom drawing tablets, so I'll totally sketch out everything and then this is what this page should look like.

And then - and I think in my head, OK, so this is - this is the end thing where people are supposed to get to. How do they get to that? And then go backwards. So then it's like OK, well, the person - and eventually you'll get to like small things like user registration. OK, well then they've got to - what if they forgot their password? We've got to have a page for that. We've got to have a privacy policy, terms of service, all these other things. So, you know, those things take time, right? So get those - tell your - talk - meet with your lawyers and say

here's what we're doing. So we need a privacy policy, terms of service, anything else you can think of legally so we're covered there.

I also have a - something I talk about - this is a little ADD side note - it's called prepare for piracy, OK? Just keep this in mind. Just the - again, this an ADD Shoemoney side note because I can barely keep a thought for more than a second, which is why I have bullet points. What was I talking about? I'm just kidding.

So prepare for piracy. Basically when you make a site - like NextPimp is a great example - NextPimp, a lot of people to upload ringtones and share them with the world. Well, people stole them and put them on their own site that completely copied our content. So I was prepared for that though, because what I did was when you downloaded a file it came in a zip file, right? And when you unzipped it, it had a readme or instructions HTML page that included a donate button, right? And it was like if you like this ringtone, you want to support the site, click here to donate or click here to go back to NextPimp. Well, we acquired a lot of users from that but the ironic thing is that we acquired a lot of money from donations, OK? So right, prepare for piracy.

So sketching it out, making it backwards, make drawings so that when you present it to your team you can share those and they can always refer back to them. So if you're not available they can just simply access what you had. If you do anything on a whiteboard make sure you take a picture of it and archive those that everyone can access. I like to make videos and record my screen as the process moves on so that I'm like hey, this up here, you know eventually I want this to do this and this. And I draw all over the place and share those.

And just make sure all of this is accessible to your team so that down the road - I mean if you're like me, and you probably are, when I - I can't keep a thought for ten seconds, especially an idea about a company. We just - I came up with something a couple weeks ago and I'm already thinking about five other things. So if they come back to me and say hey, when you were explaining this what were you thinking? I'll be like - you know, sometimes I'm like I just don't know. But back then, if you made a video and you were explaining it then they can always refer back to that, OK? So make drawings, sketch things out, share those with your companies.

Functionality before anything else, so when you make something - after you've sketched the whole thing out, people start on it, do not worry about design at all, OK? At all. Just make it functional. Every part of the website should be completely pump - functional. No graphics at all, just text, click on links, those links all work, everything works, the site's completely functional, database, everything's great, perfect, functional. OK? No graphics. I know everyone who

goes and gets a logo and a domain and they've wire framed out the site and then they're like, now what do I do? And I'm like well, what does - what - does - it doesn't work. And they're like yeah, you know, should we hire people or - and I'm like gosh. You - you've - anyway, you don't even know if this concept can work, right?

So functionality, focus on functionality. Get people working on it. I've already talked to you about how to hire people and all that stuff. And so get going on functionality, alright? Don't worry about that. Once the site is 100 percent functional - and I'm talking where you can get anyone to do it, they can completely go through it from A to Z - then start working on the design of the site. And again, with the keep it simple, stupid, don't - well, I don't do any sort of AJAX. I don't even like CSS. Can I say that? I like to tables and I like to do old school HTML because it works. It works, it's simple, and it's functional.

Now, I get overruled on certain things but I don't overcomplicate things. If you don't need AJAX here for something or you don't need some really flashy cool thing, then don't use it. If you don't need - don't ever - I mean jeez, I hate using flash, OK? Especially in this day and age where you could do MPEG video and stuff like that, just - you know, if there's - if there's not a business critical need to do it when you're just getting started, don't let things like that screw you up, OK?

The first thing that I do when we start on the design phase is I go to 99designs or Logo Tournament or Logomyway or any one of these sites. I just like 99designs because I like the founder and I've gotten to know him and he's been a big supporter of our website. And I've actually sold him a company, so I have an arrangement with him. But you can go through 9 - if you look at our account and almost all the companies we've sold, you'll see the - and - and people actually watch my account because they see a logo being made and then they go and look for the site, because they know if I'm looking for a logo I've got a fully functional website and I'm ready to rock.

So you go to these sites. Now, here's why I love - and - and for those who don't know, 99designs is a crowdsourcing place that will come up with a logo for you. So what you do is you go in there, you answer all these questions about what you want, what you like, what you don't like, what colors you like, what colors you don't like, and any sort of comments. And then you put a prize for the contest, OK? The contest is being run. All these graphic designers from all over the world will come in and they'll start on your concept. And the thing I love most about 99designs is I would say most of the time, almost all the time, I have an idea of what I want for a logo and a design for my website but what it ends being is nothing like what I thought.

So whether it was AuctionAds or Free SEO Report or fighters dot com or any of that stuff, I had no idea what it would – well, I – if you would have told me that would look like that at the beginning, I had no idea that's what we would end up with. So one of the beautiful things about crowdsourcing is you have literally 1,000 different designers who have 1,000 different designs, OK, and they're all free until you pick one, OK? So that's the beautiful thing, is you go and you unselect the ones you're not interested in. And then the ones you are interested in, you move those forward. And then people see what you are interested in and then they submit more. And then it's just this huge thing and you come up with this beautiful design that's way beyond what you ever thought was possible.

Many times also you can contact the designer who won after that and ask him how much he would cost you to design the website. I don't do that because I have onsite designers to do that, but that's a really – because a lot of times these guys, I mean for a couple hundred dollars they can do your whole website. And they already made the logo so they've got the color scheme down. They know kind of what you like because you've been in communication with them. So this whole process sounds like a big deal but this can happen in as small as like three days. I think they even have one day contests, but I wouldn't recommend that. I usually will do like a – I usually do a seven day contest, start on a Tuesday or Thursday. Those are just things that I found work well.

So once you have the design and the logo, then you can proceed to actually design out the entire site, right? And that's pretty much it. I mean you – then you just fill in the blanks. Going forward design-wise you just – you – you just – you can make it more complicated, but once you get users and once you prove the concept is there you can make it more flashy. You can implement AJAX. Maybe you want to do a type ahead thing for when people search. Cool, awesome, but don't do that out of the gate, please, please. I've found that that can stop you in your tracks, because people will go to use a site, it doesn't work, guess what? They're not going to come back, because they don't like the user experience, OK? That part sucks.

So, where are you going to host the site, right? I want to talk a little bit about hosting, right, because that's part of the actual building your site phase. When you – there's many options, OK? And I can tell you, I've made sites that have produced so much revenue that we're on a hundred dollar server. Some were on a five dollar server – well, five dollar shared hosting plan. So there's like HostGator, Bluehost, all these website hosts out there that you can go and it's – you know, it can come down to like six dollars, seven dollars a month. And they're what's called shared hosting, which means you're on this massive computer and you've got a little spot on that computer. I like these, especially when you're just getting started. They're super cheap and they give you all the access in the world that you need. And it's a great place to start.

If you want to step it up a little bit, you can do - there's a place I like to host stuff called Linode, L - A - let's see, L - I - N - O - D - E. They're - they're really - their system is awesome. It's - it's all proprietary to them. If you want - you just exactly what I want a server that is this, this, this. I think they start at \$19.95 and go all the way up to like 600, 700 bucks depending on the services that you want. For a lot of development stuff or just little nodes that we want - and, you know, for those of you who are looking at building something that's really frontend heavy and you're going to need a lot of frontend webservers with some database servers behind it, I recommend a site like Linode. They've got data centers all over the United States and I think even some foreign ones. And so if you need to have multiple things - and they have a DNS load balancer, they have everything - you can balance all that stuff out.

The next thing would be getting your own box collocated. Shoemoney dot com is collocated at a place called critical dot net. Critical dot net has been a - a partner of ours for a while and I - they have great customer service. Their facility - their bandwidth is top tier bandwidth and a lot of hosting companies actually use them as a service to provide hosting to their clients. So I highly recommend them if you need your own server. And the reason being you need your own server is sometimes you might have data on there that's, you know, classified and whatnot and you - you need - you just need it.

When I had AuctionAds years ago I had about 250,000 dollars in hardware. That was in 2007. That was before a lot of cloud computing and stuff like that happens. If I was to do it all over again, it would - it would cost me probably less than a couple thousand dollars a month to do exactly what I was - probably even more high performance than what I was doing with that. I mean I had just an enormous amount of servers and all kinds of stuff like that.

Cloud computing, Amazon now has several things. One is EC2, which is elastic cloud computing. And basically what EC2 does is it allows you to kind of timeshare computers. So like with AuctionAds, if I was to redo it now I wouldn't have 24 frontend webservers, OK? What I would have is I would have probably a couple but then I would use EC2. If my load started to get too high I could programmatically tell it to fire up a new one, right, every time the load - and so I could scale up and scale down. And you're only charged like per second that you use that computer, right? So it's - it's really awesome. And if you're looking at something that's going to need to scale a lot, EC2 - for computing power, EC2 is going to be a great choice. It's one that I've found is really awesome and very inexpensive. You know, storage, Amazon also has S3, which is simple storage solution. Really awesome. They also have load balancers in house. They have a mailing platform. I'd be careful with their mailing platform because it's new, but we've - we've had a pretty good experience with it.

Let's talk about email for a quick second, because that's pretty much covered shared hosting. If you - you're going to do - a lot of people don't know this. But you got a website, right, and people are using it. If you're using your server to send emails out to like register or double opt-in or whatever, or forgot your password or stuff like that, unless you have a reputation - which you don't - with like Gmail and stuff like that, when you sign up and you start and you have 2,000 users same day, most of those are going to end up in the spam box from my experience.

So what you want to use is you want to use a service. The best one that I've had experience with is called SendGrid. And what that does is it allows you to relay through their servers, because they are whitelisted with all these providers, Gmail, Hotmail, Yahoo, all this stuff, and it's going to ensure that your email gets delivered. And it - and it's really inexpensive. I mean it's - for what it does. There's also commercial - commercial transactional emails, something like that, which basically you can go around - canned spam laws, if someone just bought something from you and you need to email them, like a username and password and stuff like that, right? So there are services out there that will allow you to email those that are whitelisted completely.

OK, so that is really, you know, how to build everything. You know, when you're working with your team - I'm just making sure I went over here - went over everything. A big thing also is just to prepare for success. That's one of the notes I had in here to talk about. From the beginning you want to prepare for success. When you launch your site, prepare for success, right? And what I mean by that is some people call things luck.

I'll give you a real life example. There was a - a site called Amie Street, right? These kids made it. Really neat site, but it just wasn't getting the users. It was a place where people could upload their music, amateur music, and they could sell it. And the pricing was funny because it basically - the first person who bought got it at a penny. The next person who bought it got it at two cents, three cents, four cents, and - and the price raised as the demand for that song increased. Pretty cool concept, right?

Well, there was a - I think he - what was he, the attorney general of New York, Eliot Spitzer? You have to look that up, but I'm pretty sure that's what he was. And so he actually got a hooker and wow, she was good looking. Her name was Ashley Dupre and she was a 2,000 dollar an hour hooker, call girl, whatever, [INAUDIBLE 0:17:22.5 sounds like: scourge girl]. And here's where the - the funny part in the Amie Street tie in comes together, is that she had a bunch of amateur songs on Amie Street. So when you googled her name, the first thing that came up was Amie Street. Amie Street blows up overnight, just completely

blows up, gets annihilated with traffic. These guys were running EC2, right? So they could scale up as much as they needed for as long as they needed. So they were ready.

Now, some people would call that luck, right? I don't like luck. I like being prepared for success, OK? That's what I like. And so - and I can tell you, from my experience on every site I've ever had there's always been that tipping point. There's always been my - [INAUDIBLE 0:18:06.7] my 2,000 dollar an hour call girl with the attorney general? No, but there's always been my point where something has happened, right? Whether we got on Digg or we had something, and my ship came in, right? And sometimes I wasn't prepared for it, but I've learned to prepare for it. And so - because I can tell you, and I promise you if you keep at what you're doing eventually your ship will come in. Don't miss it. Don't leave people at the dock, OK, when your ship comes in. Prepare for success.

Alright, that is building our project. I can't wait for the next thing is we're going to talk about how to make money with it and a few other things. So thanks so much again for watching this video series. I'll see you in the next one.