



The Funnelalytics Chronicles

THE YEAR OF LAUNCH

***From the desk of Mikael Dia,
Founder and CEO of Funnelytics***

To whomever is reading this.

What's going on my friend? I am excited that you are here!

Before you flip through this book, let me quickly explain what this is, what it is not, and how you can get the most out of it.

I wrote this “chronicle” throughout 2018 to document what I was doing as I built my company, Funnelytics. To be honest, I didn't write this to share publicly... I did it mostly to keep myself accountable and to spend some time each month reflecting on what I had done the previous month.

What started off as an idea quickly became a multi-million dollar business in just 12 months...

Since I was documenting my thoughts and strategies each month, these monthly “journals” sort of became a “playbook” on how we launched and scaled this company. So I decided to put them all together and share them with everyone to hopefully inspire some people and give them insights on the ups and downs of growing a business.

I tried to hold nothing back... The good. The bad. The ugly. It's all in this book.

Although this book is meant to give you insights and spark ideas - it is not meant to be a “definitive guide” on how to grow a company.

That being said, I've put together some training videos to go along with each chapter to further explain how you can implement some of these strategies for your business.

You can find the videos in the corresponding chapters of the online version at <https://mikaeldia.com/chronicles-2018>

Lastly, after you've gone through the book, I'd love for you to share your thoughts and insights in our [Funnelytics Community](#)... The feedback is the only way for me to know if I should write a 2019 Chronicles!

Thanks and enjoy.

Cheers,
Mikael Dia

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FUNNELYTICS 2018

THE YEAR OF LAUNCH



In December 2017 I started from ZERO and launched [Funnelytics.io](https://funneltytics.io)

By the end of December 2018, this project generated over \$1.8 million in revenue...

I grew my team from 1 part-time developer to 11 full time employees & contractors

In turn, we grew the Funnelytics user base from 1 (me) to 70,000 people

Invested over \$380K in Facebook ads

... and learned a shit ton in those 12 months!

At the start, all of this was done with zero audience or outside investment. It was fully bootstrapped with my own money and it grew from there.

Wait, let me back up real quick.

Before I get into that, let me clarify what this is, what it isn't, and why I wrote it in the first place. In short, I'm writing this document to illustrate what it took to grow this little project into a multi-million dollar per year business directly from the CEO's perspective.

But it's not going to be just another "look how awesome I am" story... I'm going to be really honest with you, about the good stuff and the bad.

So many CEOs gloss over the hard parts, don't talk about the ups and downs of building a team, or just report their gross numbers without telling you about the speedbumps, the struggles and the 'oh shit' moments that happened along the way.

They want to sell you on the shiny successful CEO lifestyle, without telling you about what it took to get there. That's not why I'm writing this.

This is not to sell anything. This is not to gain followers. This is not even to impress anyone (ok, maybe a little bit...) I'm doing this partially for me, so that I can look back on this insane year that I've had... and I'm doing it partially for you, so that you can "see" what it takes to launch a successful business from scratch and hopefully avoid the same mistakes I made

Truthfully, after we did our initial launch and pulled in \$200K in 48 hours, I decided to start documenting everything that was on my mind to grow this thing from "project/idea" to full-blown company.

That said, it is written to help a specific type of person, so...

If you are NOT an Entrepreneur or Digital Marketer...

If you are NOT trying to scale online sales for a business...

If you prefer watching cat videos instead of learning how to level up...

This probably isn't for you. You may want to close the book and go spend some time on YouTube or something. ;)

However...

If you want to learn how to turn strangers into customers (at a profit)...

If you want to build a large audience of people who want your stuff...

If you want to **grow a COMPANY that makes money**, creates **massive impact in your market**, gives you **freedom** and ultimately **fulfills you every day**, then you'll want to keep reading.

Let's get started ...

THE BACKSTORY

Before I talk about the growth of Funnelytics, which its core product is a software, I'll need to give you some context.

First - although Funnelytics' core offer is a software, what I share in this Chronicle is applicable to any business or offer. I've learned these principles over 10 years of learning, testing, and failing.

Although you will learn the strategies and tactics that have made Funnelytics successful, you need to understand that it did not come overnight.

The journey isn't pretty but it's been damn humbling and cool, if I do say so myself...

2008

I was working as a Civil Engineer (after having basically wasted 4 years earning a degree that didn't serve me). I was miserable. Anyone ever do AutoCAD drawings all day long? Shoot me.

I quit after 6 months.

2009

I started a t-shirt business with two close friends and realized I knew nothing about selling to strangers.

I hit up good ol' Google and searched "how to sell online"... That pretty much sent me into a vortex of "laptop lifestyle" offers and promises.

I got hooked

2009 - 2010

I learned everything I could about Internet Marketing. SEO, Affiliate Sites, Adwords, Social Media, Solo Ads... all sorts of shit.

Everything I tried failed.

2010

I launched a website called Quality Survival Knives. It was an affiliate site where I reviewed a bunch of knives and optimized every article to rank for SEO. I grew impatient doing the SEO thing since I couldn't control it... so I decided to throw \$100 into Google Adwords.

I actually made my very first online sale for a whopping \$5.23!!
HELL YES!

I was so pumped... I couldn't believe this stuff actually worked.

... but then I looked in my Google Adwords account and it turns out I traded the entire \$100 for that \$5.23 commission...

Fuck. I was pretty pissed.

After sulking for a while, I realized that I DID get a random stranger to buy something from me, which is pretty damn cool. I just needed to make the numbers work... so I became absolutely obsessed with learning how to turn \$1 of ads into profit. I learned about funnels, human psychology, copywriting, marketing principles, customer acquisition, retention, and more.

2012

I took all of my knowledge and started a Mandarin Language School.... even though I don't speak Chinese and I've never been to China! But by applying everything I learned, within 3 months the business was making \$30,000 per month.

We exited that business for multiple
6-figures only 8 months later.

That was probably a fluke... But then again... If I could do it in a market I knew literally nothing about, maybe I could do it again?

2012-2014

Over the next couple of years, I launched my first “app” business in the language space. My partners and I raised over £650,000 from investors... including my dad.

The business went bust after three years.

I felt like a massive failure - so much for doing it again.

I felt especially bad that I asked my dad to invest and I couldn't get him a return on his investment - but that also made me even more determined.

I spent a lot of time consulting various businesses about funnels and online marketing. Most of the people I helped for free because I was so passionate about it and frankly I didn't know how to price myself. The crazy thing is, they all had pretty amazing success.

It turns out I was pretty good at this Digital Marketing thing after all, but I had a lot to learn about operating a successful business.

OVERFUNDING

lingos

LINGOS

Follow This Pitch

100%
£150,490
raised

Target: **£150,000**
Equity offered: **8.08%**
Days left: **9 (extended)**

Investors so far: **48**
Last investment: **47 minutes ago**
Largest: **£25,000**

£ Amount **INVEST NOW**
or [make an alternative offer](#)

Lingos helps language learners find teachers to purchase their digital & in-person courses. With over 2,400 teachers and 2,600 learners already registered, Lingos takes the marketplace model and applies it to the \$56bn language learning industry. The platform is set to launch in China, targeting the rapidly growing English learning market. Lingos is planning to disrupt the language industry in a similar way to Airbnb with the hotel industry.

Investments of this nature carry risks to your capital as well as potential rewards. Please read our [risk warning](#) and [disclaimer](#) before deciding to invest.

Details | Discussions | Companies House

Founder: Mikael Dia

Mikael is an Entrepreneur and Digital Marketing Expert. He started and sold a Mandarin school in London, UK. He has an MBA degree and Master of Engineering

Location: Islington, London
Target: £150,000
Share Type: A (£10,000), B
Tax Relief: EIS
Equity: 8.08 %
Days Left: 9 days (extended)
Payments: International

Contact entrepreneur

REQUEST

Website [f](#) [t](#)

Latest updates:

- 21 Aug: **Extension Granted!**
- 8 Aug: **Progress Update**
- 23 Jul: **Over 50%**

Mikael Dia

0:41 / 4:31

Share 0 | Tweet 3 | Share 56 | Embed on your site

Our Language App “Lingos” Crowdsourcing Page

2014

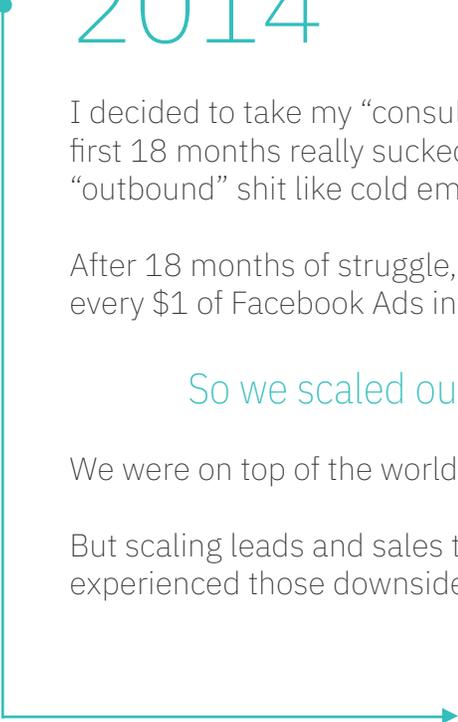
I decided to take my “consulting” skills to another level and start an agency with a friend. The first 18 months really sucked. We were fighting every day to get clients... doing all sorts of “outbound” shit like cold emails, LinkedIn posts, etc.

After 18 months of struggle, we finally figured out a marketing funnel that allowed us to turn every \$1 of Facebook Ads into a consistent \$10 of sales for our Digital Marketing services.

So we scaled our revenue to over \$1M in the following 18 months.

We were on top of the world... for a few months.

But scaling leads and sales too quickly has a downside that very few people talk about... I experienced those downsides first hand, but I’ll leave that story for another time.



2015

I became the CMO and partner of a nutrition/weight loss business called IIFYM...

Using Funnels I took that business from \$2,500 per month to \$5,000 per DAY.

BUT, throughout all of this, after working on dozens and dozens of funnels,

I still had a major problem...

2017

PROJECT: GAME CHANGER

One day, after spending time working on marketing funnels for clients, I was hit with a flash of inspiration about what could help me get better results.

I pulled out a notebook and wrote the words “Project: Game Changer.”

Below that, I wrote:

“Map > Build > Track > Analyze > Optimize”.

Mapping out marketing campaigns and then tracking their performance in a VISUAL way is a pain in the ass, to say the least. I’d rather bash my head against a wall than look at spreadsheets, charts and graphs to try and figure out what’s making me money and losing me money in my marketing. To be truly honest, I didn’t know if it was actually a game changer... at the time it was just an idea.

“It would be so cool if there was a tool that allowed me to map out my marketing funnels on a canvas... Connect my ads, pages and emails... and then VISUALLY see what part of my marketing is making me money and what’s losing me money!”

That was my idea... but I let it sit in the back of that notebook for a few years while I kept getting better at marketing products and services for my myself and my clients. Then one day in 2017, I got extremely fed up with the lack of simplicity when it comes to marketing analytics.

I decided it was time to dust off that old notebook and invest in building this tool.

Sometimes the Universe aligns itself in strange ways, because right around that time I met and hired a super smart cyborg robot developer named Alexey... and he’s been our head of product ever since. (I call him a cyborg robot because he likes to wear flip-flops and shorts in -20 celcius weather.)

We were off to the races.

CHAPTER 1: LAUNCHING AN OFFER & COLLECTING \$208K IN 48 HOURS

WITH LESS THAN \$10K IN AD SPEND AND ZERO AFFILIATES

In December 2017, I launched the very wonky version of the Mapping part of the tool. It wasn't even close to perfect. There were a ton of bugs, but I wanted to see if anyone else would be interested in this tool.

What happened over the following 12 months is something I could have never imagined...

- From ZERO to 70,000 users...
- Over \$1.8 million dollars...
- A team of 11...
- A badass office...
- A group of 2,000 Founding Members who are putting their trust in us...
- And we've built the foundation to take over the marketing world!

But let's start from the beginning.

Most new Entrepreneurs and small businesses only think about their product or service - and that ends up being the cornerstone of their business.

For some reason, we all think that our stuff is the most revolutionary thing ever. We have this idea that what we're doing has never been seen or done before... but let's be honest, most products, software or services are nothing special.

The Funnelytics tool is super cool (if I do say so myself), but it's just a tool.

What matters is the PERSON who is using the tool.

Businesses exist to serve PEOPLE, not the business owner's ego.

Business owners often forget that... but when I launched Funnelytics, I wanted the person's experience to be at the forefront.

So, unlike most SaaS (software as a service) products, I decided to give a lot of value up front for free, without asking for anything in return... and I'm not talking about a "free trial" or a "sample" of the product for free.

I'm talking about the good old "give value upfront and build reciprocity, without asking for anything in return" mindset.

I gave away the mapping tool for free (forever). I didn't do a "free trial" or even give partial features that force people to upgrade after they get a "taste".

I gave it away because I knew that if people were mapping out their marketing campaigns, a decent percentage of them would eventually want to track those campaigns (which is what they would pay for with Funnelytics).

But the mapping tool on it's own is super useful and you never have to pay to use it.

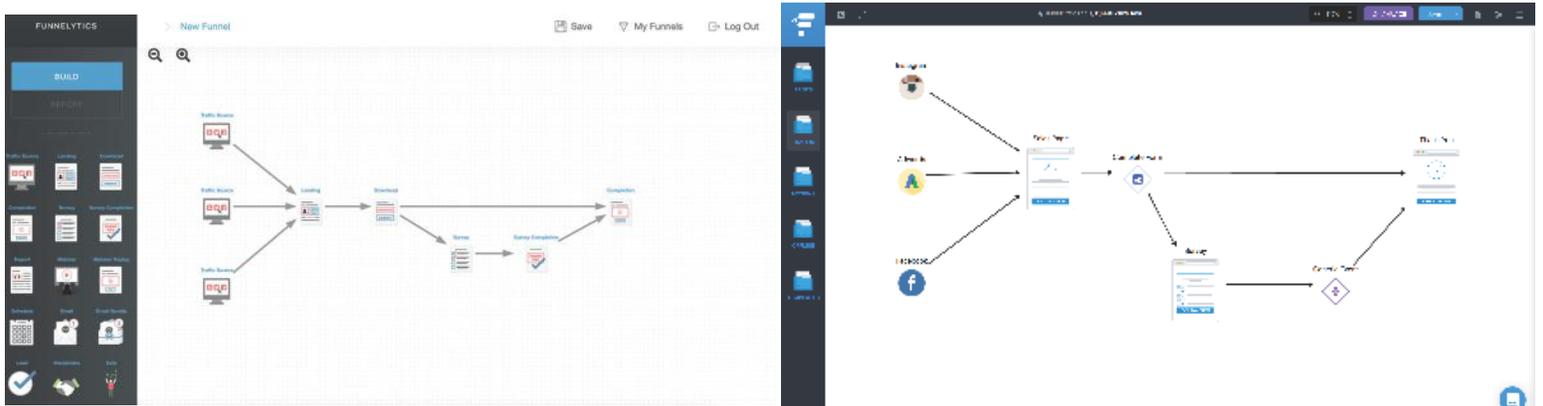
Knowing that who we wanted to target vs who actually came in was different, so we needed to make some tweaks and pivot.

GROWTH TIP 1:

Is there something in your business that you can give away for free... something so good that most people would try and build an entire business around that thing?

Level up your thinking.

I needed to do a bit of testing and research.



The first version of the Funnelytics software from 2017 and the current version

So I set up a landing page where people could create their free account for this mapping tool and as soon as they created an account, I asked them to fill out a short, 2-question survey in order to better understand who they were. From there, I used my email follow up to push them to join a Facebook Group where I could communicate with them.

On December 7, 2018, I set up a super simple ad (a 30-second, sped-up video demonstrating the tool) and started promoting the landing page on a low budget.

I was officially off to the races.

People started signing up for around \$8 - \$10 per new user, filling out the survey, and joining the Facebook group... I expected all of this because I architected it. What I DIDN'T expect is that people started sharing the tool to their audiences, and **for every two people that signed up from the Facebook ad, one would sign up from a referral**, which brought my cost per new user to \$5 - \$6.

GROWTH TIP 2:

Is your lead magnet good enough that people want to talk about it and share it with their networks?

There was zero incentive for people to share the tool (I didn't build in any viral loops at this point)... but apparently, the tool was good enough for people to talk about!

Now because our analytics portion of the tool wasn't ready to sell yet, I had to spend my time doing something that I have never really done before... be present and start showing my face inside of the community. I spent every single day for two months providing value to the community... doing Facebook Lives, sharing content and knowledge from my eight years of experience.

I made it BIGGER than the software.

I gathered as much feedback as I could about the mapping tool (what people liked, what they wanted to see improve, etc.)... and I kept teasing them about the upcoming analytics portion.

Everything I did for those two months was to accomplish one of two things...

1. Build reciprocity and loyalty
2. Push people to a waitlist for the analytics version of the tool.

Building the waitlist gave me confidence that I was on the right track with my Hook and Messaging... people were visibly excited and I could feel it.

To build my list, I used 6 very specific post types that I rotated over and over again.

1. **Personal Philosophy:** Here's what I believe
2. **Lifestyle:** Here's how I live my life
3. **Personal Stories:** Here are some business lessons from my past experiences
4. **Asking Questions:** Would you prefer this, or this?
5. **Results:** Showcasing real results from people just like them
6. **Tangible Value:** Things that they can download and use right away

GROWTH TIP 3:

Don't waste time creating something BEFORE you know for certain that people will pay for it. Instead, start building a community and push people to a waitlist.

That will give you the confidence to launch your product/service to people who want it. Better yet, get them to pull out their credit and put a deposit for a limited number of spots. The only proof that matters is a credit card number.

So for two months I concentrated on the above, while my lead developer was building our prototype of the analytics tool.

Oh, and one more thing...

I also personally answered
Every. Single. Support. Ticket.

I wanted to make 100% sure I knew exactly what my mapping users wanted. I needed to get a sense of what questions they had, how they were using the tool, what they wanted out of it, and what their core business problems were.

On February 7th, 2018 - exactly two months to the day from when I first started advertising - the VERY ROUGH version of our analytics tool was ready to take on some beta testers.

By this point, there were about 6,000 mapping users, 4,000 survey answers, 3,000 people inside of the Facebook group, and around 1,000 on the waitlist. **All for just under \$10,000 in ad spend.**

In order to sell the Beta spots, I needed to put together a sales page that described the benefits of becoming a "Beta Pro Member."

Remember what I mentioned earlier... ***these are REAL people that are about to pull out their credit card to pay you.***

GROWTH TIP 4:

At the beginning, personally answer all the support tickets that come in. The insight you gain and credibility you build with your potential customers is priceless.

And the truth is, the tool doesn't matter so much.

People don't just want the tool. They want to achieve their desires and get rid of their pains. The tool might help, but it's not the only thing they need in order to make their goals come true.

What matters is the entire OFFER that you package together.

Becoming a "Beta Pro Member" had to be bigger than just signing up for a feature of a tool.

How else could I help these people achieve their goals?

That's the beautiful part of having the survey answers and the community to interact with. My users TOLD me what they wanted and what they needed.

So I gave it to them.

GROWTH TIP 5:

Are you selling a product/service alone, or are you selling an OFFER?

Remember to always package your products/services with training, support, communities, courses, etc. so that they become irresistible offers.

1. They want support and to be a part of something, so I packaged in a Facebook Group for Pro Beta Members only where I share behind-the-scenes stuff.
2. They need training on the tool, so I gave tutorials.
3. They want to become better marketers, so I gave them a bonus training that could easily be sold by itself.

I made it BIGGER than the tool itself.

I packaged the tool into an IRRESISTIBLE OFFER by listening to my customers and adding bonuses that addressed their needs.

To sell this offer I built a simple sales page that had the following components...

1. Nice clean design with compelling copy based on what I knew about my users (from survey and posts)
2. Irresistible offer (make it bigger than just the software alone)
3. Explainer video (90 seconds)
4. Demo video (10-15 mins with an intro showing my face)
5. Feature table with the difference between the FREE vs PRO versions
6. Showcase the VISION of the product
7. Bonuses
8. FAQ

Since the analytics tool was extremely rough, I decided to only accept 100 people into our Beta group for a Lifetime Deal of \$495.

The reason I sold Lifetime Deals instead of the typical monthly recurring fee is that I knew our tool wasn't quite ready. If I sold the monthly path, our cancellation rate would have been extremely high. I basically hedged my bets on the fact that I could buy the "Lifetime Value" of my users upfront.

But that's not all.

Every good marketer and capitalist always wants to increase the average "order" value and extract more money from each customer... I'm no different.

You do that by adding upsells, downsells and bumps/add-ons to your order forms.

Luckily I asked some good questions in the Facebook Group, and my audience told me what they wanted.

GROWTH TIP 6:

Are you adding Upsells, Downsells and Bumps/ Add-ons to your order forms?

If not, you're leaving a lot of money on the table.



"How to _____, without _____"

The _____ to achieve _____



- Bullet Point 1
- Bullet Point 2
- Bullet Point 3

As seen on



Emotional-Driven Explainer Summary

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Old Way



New Way



Watch Demo Video



Feature One

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Feature Two

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Feature Three

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Feature Seven

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Feature Eight

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Testimonials

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John Doe,
CEO
Company

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John Doe, CEO
Company

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John Doe,
CEO
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Beta Member Bonuses



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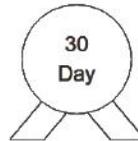
Value: XXX.xx



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Value: XXX.xx

Features	Basic	Pro
_____	✓	✓
_____	✓	✓
_____	X	✓
	Free	Only \$495



Money Back Guarantee

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Frequently Asked Questions

Question 1

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Question 2

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Question 3

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This is the original "Hero" image we started with - we used it as a template as we built out our sales page.

Based on the group's feedback, two of the biggest requests were around launching a successful funnel and getting clients for agencies.

I know a thing or two about both of those things, so I added a little order bump for \$97 to add Agency Templates to their \$495 order, and after they purchased I added a 1-click upsell to join a live 6-week course called Funnel Ignite for \$197. I kept it super simple. I compiled the templates from working in my own agency and called it the "7-Figure Agency Funnel Templates", and the course was basically an outline with all the content delivered over 6-weeks at a future date (I didn't create anything in advance).

Adding those two things increased my average order value from \$495 to over \$690.

I originally anticipated that it would take me about 1 week to get these 100 paying Beta Pro Members... So I sent the first email in the morning to the people on the waitlist, telling them they had priority access and that we only had 100 spots. I also made a post inside of the Facebook group. By the time 3pm rolled around, the 100 spots were GONE. Just like that!

The reciprocity and anticipation paid off in ways I couldn't even imagine... but I hadn't even emailed the people who weren't on the waitlist yet!

So at 3pm, I sent an email to the non-waitlist people... by 8am the next day, 200 spots were sold. Honestly, I couldn't believe it. I barely slept that night.

At this stage... I had a choice to make. **Do I just close the cart right away since I hit the number I wanted to hit, or do I use the opportunity to generate more capital for the business?**

...which option do you think I chose?

So I sent one final email to everyone saying that all the spots were taken and that I'd be closing the cart at midnight.

I put a timer on the page using Deadline Funnel (shoutout to Jack Born), so that when the clock hit midnight everyone would automatically be redirected to a waitlist page again.

Another 100+ people came in that day...

Over 300 people and \$208K in revenue in just 48 hours.

The number of people who messaged me AFTER the cart closed who were upset that they missed it made me realize that I was onto something pretty special.

I clearly wasn't the only one who had a problem with Marketing Analytics.

CHAPTER 2: INITIAL FEEDBACK & DELIVERY

Although the launch was a success, I knew that \$200K wouldn't last very long.

I needed to hire more developers...

I needed to improve the product...

I needed to provide a great experience to all of the people who invested...

I needed to keep the momentum going.

So I set a date in the calendar for when I would do the next Beta Launch and bring in the next group of people.

The target date was May, so between February and May my goal was pretty simple...

1. Get our initial Pro members to fall in love with the POTENTIAL of the product
2. Continue to acquire free mapping users at break-even (or even a small profit)
3. Build the waitlist for Launch #2 and basically replicate what I did for Launch #1

The reason I say "potential" of the product is because the product was still very rough at that point with A LOT of bugs... but if I could get them to buy into the VISION of the product (and me as a leader), then they would be extremely happy to have Lifetime Access.

To engage the initial Beta Members I created an exclusive Facebook Group, as well as a feedback board where they could send bugs, feature requests, and suggestions.

My aim was to get a comprehensive understanding of the features our members truly wanted and to keep some transparency within the community as we continued to build the product and fix bugs (we were still in Beta after all!)

Out of our initial 300 Beta members, over 200 participated in our feedback board, voting and suggesting new ideas which helped us identify the hyperactive (and excited) users! That board and the honest feedback I received has been invaluable.

GROWTH TIP 7:

If your product/service/offer isn't quite where it needs to be, then you need your customers to fall in love with the **VISION**

As we grew, my time and focus needed to shift.

In the first phase, prior to our 1st Beta launch, I was personally answering all support tickets in order to get a good understanding of our users, their pains, and their desires. After the launch, my focus shifted towards our paying customers, while I hired and onboarded someone to help answer non-pressing support tickets.

By this stage, I had a very good grasp of our messaging and sticking points, so it was time to offload the time-consuming (yet highly important) task of customer support tickets.

GROWTH TIP 8:

Do your due diligence before investing in anything - especially people and technologies - otherwise **you'll just burn money.**

I brought on this motivated young guy named Darrell as a full-time contractor to help me manage Community and Support related stuff, while my focus shifted toward product management. Then, in order to accelerate development, we decided it was time to hire a second full-time developer.

One of the core things we wanted to do was rebuild our entire Mapping Canvas using more sophisticated technology. This new developer was tasked to work on this and nothing else.

Unfortunately, after almost three months of development, we realized that this new technology was not going to allow us to have a fundamental feature in our product.

On top of this, the developer we hired (and paid a lot of money) did not fit within the team “culture” that we were starting to establish... so I had to let him go after three months.

A lot of time and money wasted.

A mistake like this can easily sink an early stage startup.

CHAPTER 3:

GROWING OUR USER BASE FOR FREE

On that note, let's talk about money.

In order to keep the momentum and not slow down the buzz/growth of Funnelytics, I knew that we needed to keep advertising and acquire more mapping users. But unlike the first round, I wasn't prepared to spend money upfront and not see a return until our launch... so I had to get a bit more creative and build a break-even funnel.

Now that I had some decent cash in the bank, I ran a few calculations. Between the initial cash injection from the first launch, our new developers and customer service rep and the few refunds that were requested by customers, I knew I had a 5 to 6 month runway until I HAD to get another injection of capital.

So I needed to get my Break-Even Funnel in place as soon as possible, otherwise, I wouldn't have enough new members to have a bigger and better launch for round 2.

GROWTH TIP 9:

Are you thinking about ways to break even as soon as someone joins your list or becomes a user of your tool?

The best way to scale is if you can acquire customers at very little to no cost within the first day after they become a lead.

The aim of a "break-even" funnel is simple.

You can spend \$1 on ads and make at least \$1 back after someone signs up (on the same day), then you can continue to grow the user base without losing any money.

I took the sexiest offer from my Pro Beta package - the Funnel Maps - and positioned it for \$47 as soon as someone created their free account.

If they purchased, I upsold them a higher priced version of the same Pro Beta Lifetime deal that I sold to the 1st round members. I also incentivized my customer service rep to sell Pro Beta Lifetime offers for \$595 on any conversations he was having with people who joined the waitlist. I gave him a decent commission for anyone he converted.

From there, I created a simple spreadsheet that I updated every Monday morning to see if I was on track. I only cared about a few metrics that I could directly impact within my funnel - nothing else mattered.

- New Users (That Week)
- Cost to Acquire a New User
- Ad Cost
- Front End Sales (\$47)
- Front End Revenue
- Upsell Revenue
- Upsell Sales (\$545)

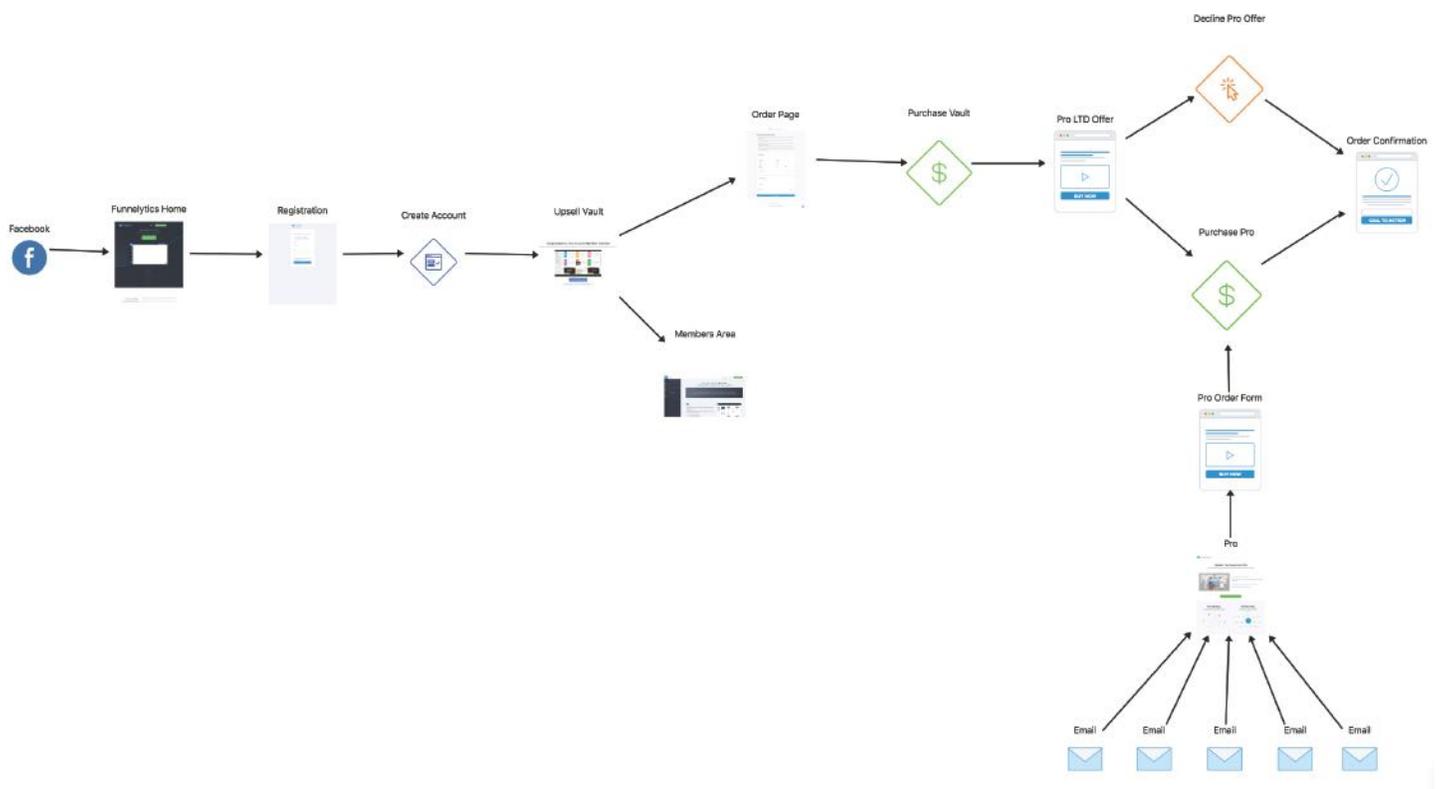
In March we spent **\$7K** and made back **\$13.5K**

In April we spent **\$13K** and made back **\$34K**

In May, before the launch, we spent **\$18.5K** and made back **\$40K**

The funnel worked very well - it allowed us to add almost 8,000 new members to Funnelytics and over 1,100 people to our Waitlist for the next launch, all while getting a 2.25x return on ad spend (ROAS).

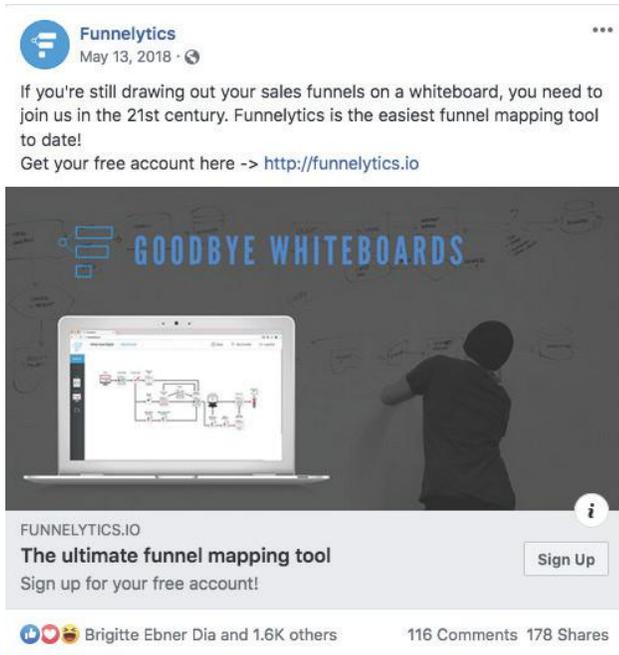
So that's what we focused on - and we stayed hyper in line all the way until Launch #2.



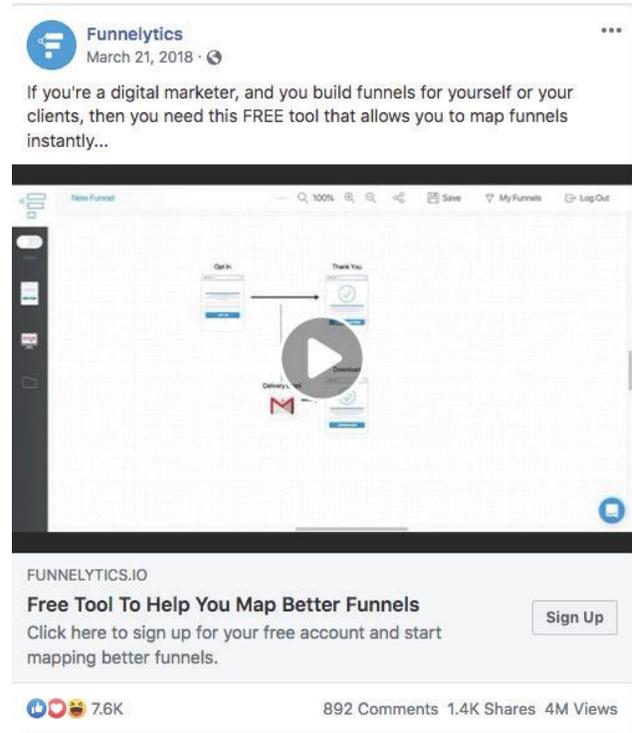
The template Funnelytics built for our first launch!

Let me quickly break it down.

We used the Facebook Ads below to advertise the FREE mapping tool.



Two of our first Facebook ads.



These ads sent people to a landing page where we highlighted the core benefits of the mapping tool and gave them a call to action to create their free account. The only other things you could do on this page were login to your account or leave the page entirely.

The less options you give, the higher the conversions will be.

Once someone clicked through, they went to a simple register page where they could create their free account.

One thing I've learned over the years is that you ALWAYS want to offer people "the next step" as soon as they take a specific action. The "next step" should be positioned as a way to speed up their results... so in this case, I offered them lifetime access to the Funnelytics Vault for \$47.

The Funnelytics Vault is a database of proven funnel templates that our users can model - instead of starting from a blank canvas, our users can speed up their results and get access to proven templates.

If they declined the offer then I sent them on their way to use the Funnelytics mapping tool.

For everyone who took us up on the Vault offer (almost 8% of all new registrants), I immediately upsold them on lifetime access to our Beta group of Funnelytics Pro. Regardless of if they took the offer or declined it, our users were sent to a purchase confirmation page for their Vault purchase.

For everyone who did not purchase access to Funnelytics Pro, I put them through an email follow up sequence to show them the benefits of joining our beta group.

One thing to note: Over 50% of our revenue from this funnel came from the follow up sequence, but it was working so well that we kept this funnel live throughout most of 2018.

All-in-all, this funnel worked extremely well for short-term cash flow.

For every \$1 we spent on ads, we made back \$2.25.

GROWTH TIP 10:

As a rule of thumb, 50% of your revenue will come from your follow-up sequence.

Are you implementing a follow-up sequence in your funnels?

So that's what we focused on -
and we stayed hyper in-line all the way until Launch #2

CHAPTER 4: LAUNCH #2 – 500+ CUSTOMERS IN 11 DAYS ... AND A LOT OF HEADACHES

“Disasters can’t be avoided during a launch, they can only be mitigated.”

Alexey Glazunov, Lead Developer of Funnelytics™

In May 2018 we were ready to promote our second round of Beta members.

Leading up to the launch I knew I needed to bring in more support for customer inquiries and tickets. If the last launch was any indication, I knew that not having any support would be disastrous.

During this second launch, something awful happened with our payment processor, which caused me and my two support people to have to MANUALLY send out PayPal invoices for about 12 hours.

We did our first push and the funnel crashed at around 10 pm - right after our developer went to sleep.

So from 10 pm to 6 am when he woke up, we were sending out MANUAL PayPal invoices.

We stayed up for at least 48 hours during the initial two days of the launch to try and get as many people on board as possible.

Tickets and complaints were flying in and although we were eventually able to fix our issue, it caused massive momentum loss at the beginning of the launch.

It was honestly a disaster... but you gotta do what you gotta do.

That said - we still managed to acquire an additional 500+ customers at \$595 each, which isn’t too bad.

The really cool thing about this launch, though, were the five interesting strategies I used that allowed the second launch in the space of three months to still feel fresh and cause a massive buzz.

GROWTH TIP 11:

Any time you do a launch, expect something will go wrong, because it will.

STRATEGY #1: TESTIMONIAL WATERFALL

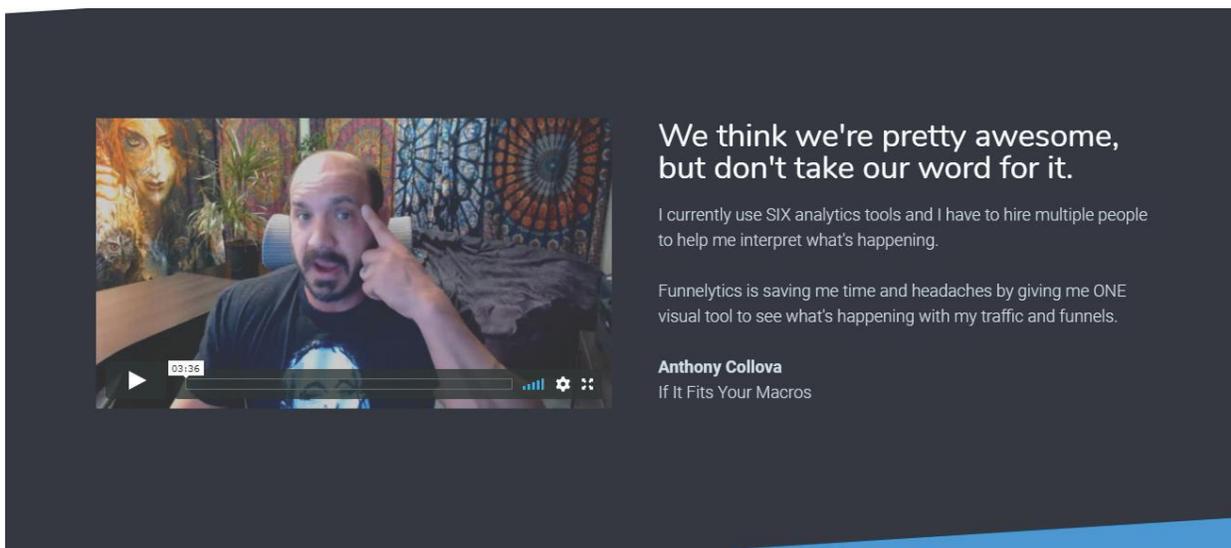
One of the biggest driving forces of this launch was that, unlike the first launch, we actually had customers who were using the tool.

So I reached out to our initial customer group for support. I created a short, selfie-style video where **I was vulnerable enough to ask them for help.**

In the video, I mentioned to them that we were doing our second launch to bring in more capital to hire new developers and increase production. I genuinely needed their help to grow the company.

My request was simple. I asked them to comment on any ads or posts that they see and share their experience with Funnelytics because it would be a massive help in accelerating the development of the platform.

This resulted in DOZENS of testimonials and advocates.



One of the first testimonials we sourced from the testimonial Facebook campaign

GROWTH TIP 12:

When you create videos, the #1 most important element to get people to know, like, and trust you is to be vulnerable.

Because I asked my customers for help, I then targeted every single one of them in our ads, so that they could see the ad and comment to provide social proof.

Most marketers would tell you to segment out your existing customers, but in this case, because it was pre-framed properly, it resulted in a massive boost in social proof.

STRATEGY #2: ASK LEADS WHY THEY AREN'T BUYING

About halfway through the launch, we noticed that momentum slowed down significantly. This is normal - typically during a launch, the “Open Cart” and “Close Cart” are your biggest days (i.e. your first and last day). But I wanted to get more information, so I sent out an email to everyone who had not purchased - which was around 13,000 people at this point - and I asked them why they hadn't purchased our lifetime deal yet.

We received over 200 responses and the data was fascinating... From the product being too expensive, to them feeling like they weren't ready for an analytics tool, to them not knowing what marketing funnel they should even build for their business.

This survey gave me an idea that I had never seen done in the marketplace before...

GROWTH TIP 13:

Ask your existing customers for help and testimonials every chance you get. If you treat them right, they will become massive advocates.

STRATEGY #3: LAUNCH WITHIN A LAUNCH

I wanted to see if I could get the momentum back up by doing a “Launch within a Launch”.

Here was the idea: Up until this point, I had never promoted my front-end offer of \$47 UNLESS the person purchased it right when they created their free account.

Even though many people were hesitant about jumping in at \$595 for the Full Pro package, it did not mean that they weren't willing to buy something from me.

So over the course of 3 days (72 hours), I stopped promoting the \$595 offer and instead switched it up and started promoting the \$47 offer with the \$545 upsell to get Pro...

I threw together a super simple “demo” video of my \$47 offer - a database of funnel maps - and I sent out a sequence of emails over those 72 hours promoting it by itself before closing it again and making it only available to people who purchase the full offer.

It took me about a day to whip up and it worked perfectly!

An additional 580 people purchased the \$47 offer and almost 10% of them ended up upgrading to Pro. This little “Launch within a Launch” strategy brought in an additional \$50K+ in just 72 hours!

But the launch wasn't over yet and I hadn't hit my target of 500 new PRO customers, so I kept going...

STRATEGY #4: INTRODUCE A NEW “FEATURE”

I had a trick in my back pocket... a brand new “sexy” feature that we had been working on for a while.

This feature allows people to track any action that someone could take on their site (like a purchase, a button click, scrolling, etc). It was something that was highly requested and necessary to make the Analytics feel more “complete”. I made sure not to reveal it until the launch so that I had a great new angle to keep the momentum going.

Introducing this new feature built a lot of buzz and was a big reason why people who were on the fence decided to jump over and become paying customers.

In the last two days of the launch, I decided to do something that many people had requested during my “why didn’t you buy survey”.

STRATEGY #5: LAST-MINUTE PAYMENT PLAN OPTION

From the survey answers, I knew that people felt it was just too expensive for them and if they had a payment plan option they would take it.

So for the final 2 or 3 days of the promotion, I introduced a payment option... but the key is to make the payment plan option only available **AT THE END**.

I made the payment option worth it from our standpoint because I knew that a lot of payment options customers would default and we would have to follow up to get the remaining payments from them...

GROWTH TIP 14:

Introduce one or two “sexy” features during a launch or promotion to get people excited.

So I made the payment options as follows:

- 1x \$595
- 2x \$320
- 3x \$250

The idea was to make the \$595 a no brainer, but still give people the option to pay via a payment plan if they so choose. All in all, this entire launch lasted 11 days and brought in over 500 new customers (along with \$300,000+ in revenue).

Now it was time to spend some money, scale the team and take the product to the next level. Simple, right?
... Not at all!

CHAPTER 5: CASH FLOW IS KING

After the successful shit storm that was the second launch, we had a pretty good amount of money in the bank.

And as a CEO, once cash hits your bank account, you have one primary job - manage CASH FLOW. Money coming in. Money going out. Understanding the available runway based on projected expenses.

Deciding if you want to maximize your profits... or invest in growth.

Truth is - and I'll be 100% blunt here - cash flow can be scary and stressful shit. It will keep you up at night, overthinking every decision you make. You'll be frustrated when things don't go according to plan, and you'll agonize over how to manage your money.

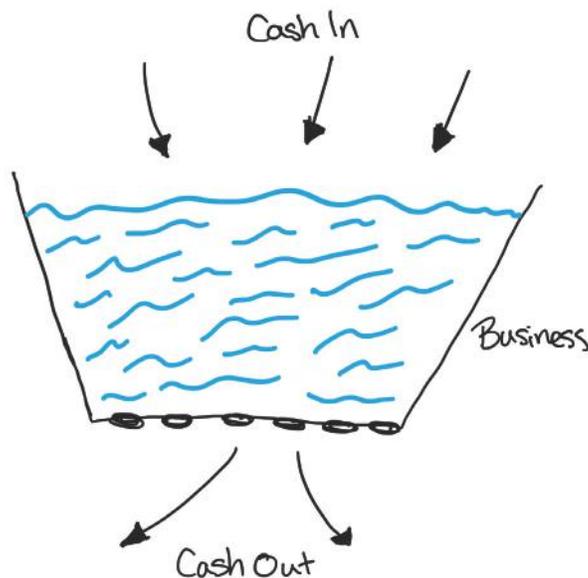
But here's the funny thing about Cash Flow... YOU control where it flows.

Here's an interesting and simple way to look at the cash flow of a business.

Money is like water, it never really wants to sit still. It will always try to flow, no matter what.

The more it can flow = the more money you can make. If you want your money to grow, you have to control the flow of money to the right places. Think of it like water... and think of your business as a bucket with holes at the bottom.

Look at this little diagram for reference.



Horrible drawing aside, this is a great way to visualize cashflow.

The bucket is your business, the holes at the bottom are your expenses, the water flowing in from the top is your income, and the water in your bucket is your cash reserve. Your job as a business owner is to keep enough water in your bucket at all times.

There's only one way to fill your bucket... more cash.

Cash can come from many sources. Of course, selling your products and having customers put cash into your bucket is the most sustainable way (and the #1 goal of any business) - but you can also fill your bucket from bank loans, investment capital, etc.

No matter how you fill your bucket, there will ALWAYS be holes at the bottom of your bucket and cash will always flow out because you will always have expenses. It costs money to operate your business.

The bigger your bucket is, the more holes there will be at the bottom, but the more capacity your business will have. As CEO, your primary objective is to never let the bucket run out of water... and you also get to choose where that water flows.

As I mentioned before, there are two things you can maximize in your business: Profits or Growth.

IF YOU ARE MAXIMIZING FOR PROFITS...

Then your objective is to reduce the number of holes in the bottom of your bucket.

This will allow you to pay off your debt, buy new things, travel, "live life"... but doing this will mean that your bucket stays at a specific capacity because you aren't investing in a team or systems to scale.

IF YOU ARE MAXIMIZING FOR GROWTH...

Then your objective is to CONTROL where the cash going and to flow that cash into activities that will either:

- Increase the capacity of your bucket (i.e. invest in a team to help you build a bigger bucket, better operations, etc.), which will allow you to fill your bucket to higher levels.
- Increase how much water is flowing into your bucket (i.e. invest in marketing and sales strategies

When you break it down like this, it's easy to visualize and manage your #1 resource.

All you need to do is put together a simple spreadsheet that you update every week with the following:

1. Cash Added
2. Cash Out
3. Weekly Cash Flow (Cash Added - Cash Out)
4. Closing Cash Balance (Last week's balance + Weekly Cash Flow)
5. Available Weekly Runway Worst Case (Closing Balance / Average Weekly Expenses)
6. Available Weekly Runway Current (Closing Balance / Average Weekly Cash Flow)

These 6 numbers will give you a snapshot of the health of your business and you can make ANY decision based on what #5 and #6 tell you.

So after our successful second launch - and the massive cash injection that had flowed into the Funnelytics bucket - I had an interesting choice to make.

Should I maximize my profits... or invest in growth?

GROWTH TIP 15

Cash Flow is King.

Are you looking at your key cash-flow metrics every week?

This thing that started off as an "idea" had quickly become something MUCH bigger with 18,000 users, 800 customers, and \$600K in revenue in just 6 months.

Clearly, this was something people needed and wanted...

Which forced me to level up my vision. To think bigger than just me and my needs.

Honestly, it scared the shit out of me. But out of fear come the biggest breakthroughs.

So I made the conscious decision to hyper-focus on growth, both professionally (by investing in a team, product, marketing and infrastructure), and personally (by investing in mentors, training and events.)

I said fuck it, let's go all in and grow this into a MUCH BIGGER company.

CHAPTER 6: HOW TO CREATE A COMPANY CULTURE

Luckily for me, Brigitte, my wife and partner in crime of 12 years, was not only supportive of my decision... she was available for hire.

She's one of the smartest and hardest working people I've ever met, and it just happens that after 18 months of maternity leave, she was ready to go back to work. Her entire career she's been in hospital-ity. Giving people an incredible experience is what she strives for all the time. Customers, employees, friends, family... it's in her being.

Personally, I am not really good at (and don't enjoy) any of that stuff, so it works out pretty well! I thrive on the marketing and product side, and Brigitte thrives on the people and experience side.

And that's exactly what Funnelytics needed.

It was time to go on a hiring spree and invest in the people that would help us take this company to another level. Brigitte leads the way in all aspects of People, Culture and Experience, while I keep my eye on Product, Marketing and Finances.

By this point, our 6-month-old company had 18,000 users, 800+ customers, two full-time virtual developers, a third developer we had just hired, and two contractors working 30+ hours per week.

Most of the team were remote, so in order to really start creating some leadership and direction, I decided to host a 2-day team meeting in Toronto.

I flew everyone in and put them up in a hotel, then we spent two days talking about the business and where we were headed.

We instantly started establishing a bond as a team... and it became obvious which team members didn't fit with the energy that we were creating. All the people I had brought on were definitely talented, but some of them just weren't on the same page as the rest of the team in terms of dedication and drive.

I had to let them go.

I had made a costly mistake by hiring the wrong people... not only because I paid their salaries, but because sourcing new team members halted development significantly as we had to focus on finding new people and re-doing a lot of the work that was already done.

GROWTH TIP 16

If you have to choose between experience vs. culture fit, always hire based on mentality, drive and culture fit.

You can build skill and experience.

But that mistake forced us to start thinking about the culture we wanted to create moving forward. If you study any great book on the topic of Team Culture, you'll come to realize that people buy in to three core things when deciding to join a company.

They'll want to know about:

1. **Work Environment.** Can I see myself working here every day? Does the company offer cool perks that are in line with what's important to me? Am I being paid a competitive salary for my role?
2. **Core Values.** Are the company's core principles/values in line with my beliefs and what is important to me?
3. **Company Vision.** Do I believe in the company and what it's trying to accomplish in the world?

It was time to define who we wanted on our team and the kind of company we wanted to grow in these three core areas.

It's a really important exercise that far too many Entrepreneurs don't think about - or think about too late - but if I'm going to war, I want to be 100% sure that I'm bringing people with me that will give us the best chance of winning.

WORK ENVIRONMENT

Do we build our team virtually, or locally?

There are pros and cons to both.

With Zoom, Slack and other technologies, working virtually is pretty easy nowadays. Virtual is great for flexibility and finding diverse talent around the world, but it's harder to brainstorm, collaborate and bond with the team.

In most situations it's harder to find talent locally, but collaboration and culture are easier to establish... and seeing as I'm located in Toronto with loads of talent, I decided to go with local. This inherently creates risk because we need to establish a larger physical office, pay higher salaries for top talent, etc.

The timing worked out, though, because the agreements on our two small "co-working" offices were coming to an end.

Moving into our own space on a short-term sublease made financial sense - we'd just need to find the office space. But the "location" is just one factor to the work environment equation...

I also had to consider the perks. What made this cooler than most companies to work for?

I couldn't afford benefits just yet... but I COULD provide a super flexible environment.

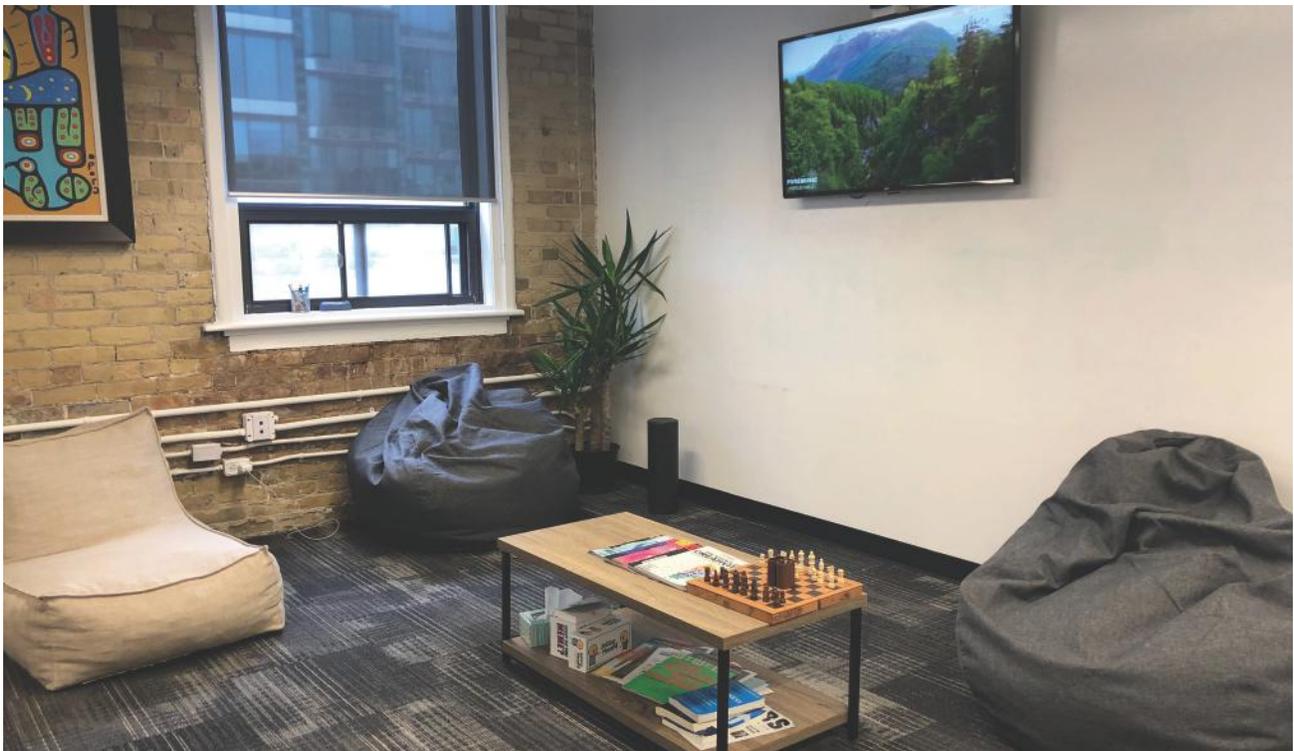
"As long as you get your shit done and collaborate with the team, then I don't care where you work from or how many days off you take."

I wanted to provide unlimited vacation days and unlimited remote-work days, a model being adopted more and more by tech companies. And when it comes to the working environment, it's pretty simple.

I just keep asking myself...

"If I had to have a job and work for a company, what would make it really cool and get me excited?"

Flexibility is definitely a perk... but to truly answer that question you need to start diving into the core values of your company.



The "Huddle Space" in the Funnelytics Office

CORE VALUES

The Core Values are what bonds everyone together within a team. It's the type of mindset we all have, a common approach to life and work... but more than that, it's how we actually embody this "code" as a company.

When coming up with Core Values, the idea is to define your team with one paragraph or acronym. Something that resonates with everyone who joins the team, and something that keeps everyone accountable.

It's not just a mindset or words on a page... it's how your team operates as a business.

At Funnelytics, we are ALL creators. A CREATOR embodies...

- C Collaboration** – Working as teammates to solve, produce & create.
- R Resiliency** – Strength and capacity to never give up and overcome obstacles.
- E Evolution** – Continuously evolving professionally and personally.
- A Adaptability** – Possessing an adaptable and flexible mindset.
- T Transparency** – Transparent communication on all levels.
- O Ownership** – Own your work and take responsibility for your results.
- R Results** – Hyper-focus on result-oriented activities. Celebrate wins.

But as I said before... it's not just about the clever acronym.

It's about HOW we embody this within our company and what initiatives we are taking to form this CREATOR culture.

Once you've created your core values, you can't help but look at them and ask yourself...

“Is everyone on the team in line with the core values? Are we, as a company, doing things to embody our values?”

For example...

In our new office, we have a room called the “Creator Room.” It’s all whiteboard space, everywhere.

Every wall, even the back of the door, is painted with whiteboard paint and we have brainstorming and collaboration sessions in there all the time.



The Funnelytics Creator Room

This is particularly productive because we took the time to put together a team that believes in the same core values and WANT to work together.

Having this kind of team is priceless and will help you grow leaps and bounds...

But they need to work toward something that gets them excited or it’s all for nothing.

That’s where Vision comes in.

VIVID COMPANY VISION

Back in May, I went to L.A. to attend a high-level mastermind with 12 other Entrepreneurs. I had one major takeaway from the mastermind that changed the direction and future of Funnelytics. It’s called a Vivid Vision presentation. Here’s how it works...

You can watch a video presentation of the Funnelytics Vivid Vision at <https://funnelytics.io/vivid-vision>, but here’s what it entails.

GROWTH TIP 17

Instead of trying to come up with this grand “world-changing” vision for the future of your company, pretend you’ve traveled forward three years in time and paint a VIVID picture of what has happened over the last three years to get you to where you are now.

1. **Your Core Metrics.** What core metrics have you achieved that represent the impact you had on your industry? Your metrics shouldn't be about how much money you make... they should be about how you are impacting your market.
2. **Your Why.** Why is your company in business? Why do you do what you do?
3. **Your Numbers.** How have your core metrics improved over the past 3 years? Where do you stand now? Remember, it's not about the money you are making - it's about the impact.
4. **Your Tribe.** Your audience. Your customers. Who are they? Who do you serve three years in the future?
5. **Your Business Activities.** How do you serve your customers? What business activities do you have in place to help them?
6. **Your Internal Team.** How is your company structured? How many people work for your company, where are they located?
7. **Your Culture Code.** What does your company stand for? What do your people embody? Summarize it in an acronym if possible.
8. **High Profile Customers & Partners.** Who are the influencers/high profile people using your products and services? Who is partnering with you by December 31st, 2021?
9. **Recognition & Community.** Three years in the future, who has recognized you? Where are you featured? Are you speaking on stages? What kind of impact have you had beyond your business and customers?

Remember, the goal of the exercise is to imagine yourself three years in the future and look BACK over the past three years, then outline what has happened.

This will give you massive clarity about where you are going as a company - for both you and your employees.

Once we had established these three areas for Funnelytics, we started using a summarized version in our job posts and it has been part of our interview process ever since. Between July and September, having this process and culture mindset allowed us to hire four team members that fit exactly with the culture we are trying to create within our company.

Hiring is always a very tedious process - but understanding exactly the TYPE of person you want on your team (based on culture-fit) will make the entire process much smoother. It makes it easier to eliminate candidates that don't fit and to move forward with candidates that do fit. Skill and expertise become secondary.

But as our team grew, so did our expenses... which meant we needed to figure out ways to generate more revenue.

We are **CREATORS**.

Our crew **C**ollaborates together to solve, produce & create.

We are **R**esilient - we never give up.

We **E**volve daily - both professionally and personally.

We have **A**daptable and flexible minds.

We understand that **T**ransparent communication is essential to growth

We **O**wn our work and take pride in what we do.

We stay hyper-focus on **R**esults and celebrate wins.

Always Create.



CHAPTER 7:

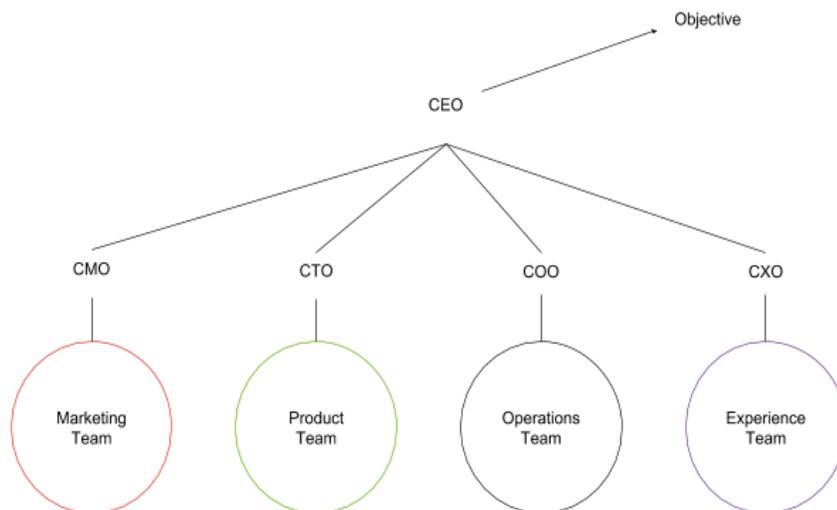
CREATORS COLLABORATE

A NEW WAY TO LOOK AT TEAM STRUCTURE

As our team grows, we were able to stabilize our Return on Ad Spend and we were no longer hemorrhaging cash. This meant I could spend the rest of the year focusing on my team so we could start 2019 off strong.

As our team grows, I'm constantly trying to find ways to operate more efficiently and be more collaborative as a unit, without me being the bottleneck in the business or having a "top-down" approach.

Traditional org charts look like this...



It's a fairly typical way to organize a business, but I always felt like there was something wrong with this model (and any model where I am constantly the bottleneck in the company).

Here's the problem, especially for a startup...

1. Everything is from a top-down approach, which means that as CEO, it's my job to set the direction and then everyone reports to me.
2. This model requires me to have "team leads" for each team... i.e. c-suite or directors who have a lot of experience and cost a lot of money - otherwise the CEO is responsible for the strategy of each team.
3. Communication and collaboration across teams is very difficult and each team typically has its own agenda.
4. Individual people don't "own" anything and aren't accountable to their own success.

We are a young start-up and, frankly, we don't have the need for compartmentalized departments.

It creates too many roadblocks and useless meetings to try and ensure everyone is focused on the same thing.

But at the same time, once your team gets to about 10 people (we had 11 by the end of 2018).

You need to look at how your company operates as a whole.

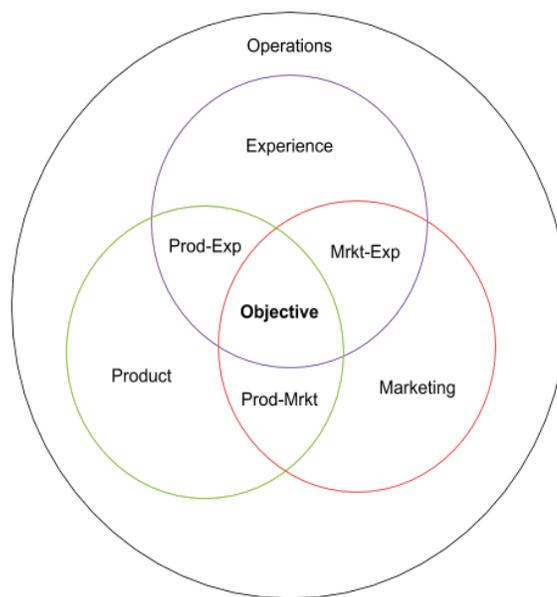
GROWTH TIP 18:

If you are responsible for all of the direction and every decision in your company, you may be creating an unnecessary bottleneck that could hold your business back.

Does your company structure allow everyone on your team to have ownership of both your objective and their individual projects?

So as we closed out 2018, I decided to try something completely different.

Here's how our Org Chart at Funnelytics looks... it's the same circles, just laid out differently.



Looking at our company in this way, instead of a traditional org chart, has helped us stay hyper-focused on the things that matter, while keeping collaboration at the top of mind. The overlap between circles forces you to remember that each team does not operate in its own "silo".

Instead, there is always going to be an overlap between "Marketing" and "Experience" ... or "Experience" and "Product"... or "Product" and "Marketing".

Operations needs to be uniform across all teams,
which is why it's the circle that surrounds the other three.

The objective is what sits in the middle. It's the only thing that matters. Because it's in the middle, everyone focuses on it and everything surrounding it is there to support it.

Now in order to be productive and determine what the Objective should be, we focus on the 80/20 rule, our 3-year Vivid Vision, and something we call the Huddle Waterfall (which I originally learned from Alex Charfen)...

Here's how it all works together...

Every year, we set our "theme" for the year and our core objective, which, if achieved, will bring us closer to our Vivid Vision. From there, every quarter we have a huddle and establish what we are trying to accomplish THAT QUARTER.

The primary objective for that quarter gets placed in the center of our collaboration circles and we brainstorm ALL of the possible projects we can do to achieve that objective... these tasks are placed in the corresponding circles or overlaps.



We use the 80/20 rule to eliminate things that we don't feel will have a massive impact on our objective.

Every month, we huddle again to define exactly what projects will be worked on that month from all of the possible projects we listed in our Quarterly Huddle.

These projects are assigned and OWNED by each team member.

Every Friday, we do a weekly huddle to see what was achieved the previous week and what will be achieved the following week. We keep track of all important KPIs in a single spreadsheet, and we track all of our tasks using a project management tool.

And every day each team does their own little 15-minute huddle to keep each other accountable.

This simple process has kept our operations consistent and allowed us to be highly focused on what matters to grow the company.

CHAPTER 8: SCALING TOO QUICKLY CAN CRIPPLE YOU

By the end of July, we were CONSISTENTLY spending \$1,000 per day in FB ads and making around \$2,500 in revenue from just two products (the \$47 Vault offer and the \$595 Pro offer).

On the surface, it sounds pretty good... but we had two problems.

1. All of that revenue was coming from lifetime offers - meaning that our customers pay once for lifetime access to the product. No recurring revenue built in can be very dangerous.
2. My expenses were going up. By the end of July, I had hired two new developers to replace the ones I let go, and I was looking for someone to join my marketing team. I had also hired a full-time designer to take our branding to the next level.

All of this meant that we were burning cash at a fast rate.

The first problem would have to be addressed when we were ready to do a full transition to monthly/yearly recurring plans. Our tool still wasn't quite "there" yet... I didn't want to risk reducing the lifetime value of our customers by offering a monthly plan for a product that was still very much in BETA.

The second problem is something that, honestly, most businesses gloss over. They boast about their success with flashy headlines about making \$1,000,000 dollars their first year - but they don't tell you how much money they had to spend to make that kind of revenue.

In our case, our monthly expenses, not including ad spend, were hovering around \$70K per month.

On top of this, since our Lifetime offer for Funnelytics Pro had a 30-day money back guarantee, we had quite a few refund requests. So if you do the math, by the end of July we were spending \$30K a month on ads and generating \$75K in gross revenue (\$45K net revenue).

Our operating expenses were sitting around \$70K, which meant we were burning about \$25K cash every month.

Not a crazy burn rate - but I prefer not burning any cash at all if possible!

Quick Side Note:

At Funnelytics, use a very specific rule to make every decision. It's called Pareto's Principle... also known as the 80/20 rule.

Straight from Wikipedia, the Pareto principle states that, for many events, roughly 80% of the effects come from 20% of the causes.

This is a theme seen across all aspects of life. Pareto showed that approximately 80% of the land in Italy was owned by 20% of the population. In business, 80% of sales come from 20% of clients.

If you adopt this mindset in your business, it forces you to think about which 20% of activities will equate to 80% of the results for your company, based on your current goals.

So in this case, my goal was to increase revenue enough that we wouldn't be burning any cash at all. There are a lot of options to make this happen... but we decided to focus on two very simple ones.

1. Increase ad spend.
2. Create a back-end offer at a premium price.

In theory, increasing ad spend seems like the simplest, most effective way to increase your revenue.

If we know that for every \$1,000 we spend per day, we make \$2,500 ... then, in theory, if the numbers hold, if we spend \$3,000, we should make \$7,500 per day.

That means that in a month, we've made \$225,000 from \$90,000 in ad spend (or \$135,000 net revenue).

Unfortunately, theory and practice are typically very different. All too often, when you start to scale advertising spend, numbers across the board tend to dip because you're targeting bigger audiences who may or may not resonate with your offer as well as the hyper-targeted people you were previously capturing.

GROWTH TIP 19:

20% of what you do will create the vast majority of your results and sales. Use the 80/20 rule when making decisions about what to focus on in your business.

But I wanted to test this and see what would happen. 80/20 rule, right?

So during the month of August, we scaled our ad spend gradually until we hit approximately \$3K per day.

Our numbers dropped SIGNIFICANTLY.

Instead of making \$2.5 for every \$1 we spent, we were only making \$1.5.

We were NETTING the exact same amount of money!

Truth is, all of the KPIs that I mentioned in Chapter 3 stayed relatively the same EXCEPT for the cost to acquire a new user. That number skyrocketed from about \$6 to \$10-\$11... which meant that we were spending triple the amount of money on advertising, but we weren't acquiring triple the amount of users.

Fortunately, there was another trick in my back pocket that I knew I could use to generate more revenue... and I had anticipated the need for cash flow so I was ready to use it right away.



CHAPTER 9: WHAT GOES UP, MUST COME DOWN

I hate the saying “what goes up, must come down.”

I also hate the saying “when it rains, it pours.”

But that was the month of September.

It was a complete cluster fuck.

We had just moved into our new office, which was super exciting... but what was about to happen did not make me feel better about my decision to sign a 2-year sublease.

The current metrics for our funnel didn’t make sense. Spending \$3,000 per day to make only \$4,500 in revenue would not help us grow.

And I couldn’t rely on high-ticket sales because I had stopped selling the Agency Accelerator in order to work with the first group of students. So at the very beginning of September, I decided to try some new ad creatives. The goal was to bring our Cost per User down.

I gave the new creatives to the Facebook Ads Manager I had hired at the time, and he made a colossal mistake...

He instantly switched \$2,500 of the \$3,000/day budget he was managing to this brand new creative.

Here’s a major lesson:
ALWAYS TEST THINGS BEFORE SWITCHING OVER!

GROWTH TIP 20:

Data is king!

When you’re optimizing your advertising, whether it’s your ad creatives, sales page or anything else, make sure to test your changes to make sure they have a positive effect before you go all in.

This one dumb mistake completely destroyed anything that was working in our ads... and “reversing it” was not possible.

And since I wasn’t managing it directly, I didn’t notice until the end of the second week of September when I saw the numbers.

The first week of September, we lost \$25K. The second week we lost another \$40K... that's when I knew there was something wrong. So we scaled the ads down significantly and tried to figure out how to get our numbers back on track.

Nothing worked. By the end of September, we had lost **\$132,000**

Pretty crazy to think about... a few years ago it was a dream to MAKE over \$100,000 in sales in one month.

Yet in September 2018, I LOST over \$130,000 because of one costly mistake that we couldn't recover from quickly enough.

On top of this... when it rains, it pours, right?

At the end of September, one of our Pro Beta members (who paid \$595 for his lifetime license) installed our Funnelytics tracking code on his client's site. You may have heard of it...

His client happened to be the Professional Golfers Association (the PGA!) and they had a major tournament that weekend called the Ryder Cup.

In the span of 72 hours, over 7 million people hit our tracking pixel and caused our servers to crash twice!

We had to do an emergency upgrade to our servers for the weekend, which cost us an additional \$1,800... just for that weekend.

This one customer paid us \$595 one time, and it cost us well over \$2,000 just to track his websites.

After that insanely stressful weekend, Alexey, our lead developer, wanted to go print some t-shirts that said "I survived the Ryder Cup."

It was proof that this lifetime-payment model was never going to work in the long-run.

That's something that I always knew, and it was never the intention to keep selling lifetime licenses... but having this massive technical cost associated to ONE user, as well as having zero recurring revenue to help us generate new revenue when our numbers plummeted, really reinforced that we needed to switch to a recurring model ASAP.

But it wasn't that simple.

One thing I've come to realize is that development ALWAYS takes MUCH longer than planned and something always goes wrong that was not anticipated. Development setbacks are normal, but there are always things that just aren't foreseen.

This meant we had to keep customers engaged in other ways in order to keep them happy. The nice thing about having a community is that you can consistently communicate with your customers and provide value in other ways.

So even though we were consistently developing and trying to release new features, whenever there was a setback I would just hop in the community and "mask" the setback by giving value in forms of trainings, resources, etc.

That said, I needed to get our numbers back on track ASAP. Fortunately, even though it was a nightmare for four solid weeks, being in the new office space really motivated us to collaborate and turn this thing around.

After weeks of tweaking and trying new things with Facebook Ads, we finally got our numbers back on track for our funnel - we were back to being profitable with our ad spend.

But our bank account was still over \$130K lower than it had been, so I needed to figure out how to get our bank balance back up.

I went back to the 80/20 rule: What activities could I do RIGHT NOW to generate some more cash?

Promoting the Agency Accelerator again was out of the question because I was still working with the current students in a live group coaching format.

Scaling ads back up was too risky after our horrible September. So instead, I looked at the next lowest hanging fruit... our list of 50,000+ users.

The way we were monetizing them was pretty simple, but underutilized. Every new user that came in would immediately be shown the \$47 Vault lifetime offer once.

GROWTH TIP 21:

Setbacks are normal, especially in product development.

Have a plan for how to keep your customers informed, engaged and happy when the unforeseen occurs.

If they didn't buy it right then and there, we would push them through an email sequence that went like this:

1. The first three emails were to indoctrinate them into the company and get them to join our Facebook group.
2. The following six emails were to introduce them to the lifetime offer for Funnelytics Pro (which includes the Vault). If they bought, great! If they didn't buy, they would move on to the next sequence.
3. The following four emails were a "Behind the Scenes" snapshot of our Funnelytics Journey.
4. The last five emails were another attempt to push people to purchase the lifetime Funnelytics Pro offer.

If they did not purchase after step 4, then we would segment them into a "value bucket", where we send them value-based and content-based emails.

Since most of our list had never purchased the Funnelytics Vault offer, it was time to do a five day promo to all of the people who were in our Value Bucket list and sell them on the Vault with the opportunity to upgrade their purchase to lifetime access to Funnelytics Pro.

This little promo brought in 414 new Vault buyers at a \$95 price point, and 34 of them upgraded to Funnelytics Pro for an additional \$500.

This didn't make up for the \$132K loss in September, but it did add an additional \$50K to the bank. And since our funnel was back on track, I was feeling pretty confident as we moved into the end of the year.

GROWTH TIP 22:

Are there ways you could be monetizing your existing audience that you are overlooking?

Is there something you could offer your leads in a different way that could turn them into paying customers?

CHAPTER 10: HIGH TICKET OFFERS CAN SAVE YOUR BUSINESS

“Amateurs focus on the front-end. Professionals focus on the back-end.”

Russell Brunson, Founder of Clickfunnels

As I mentioned previously, if you are too focused on your individual products or services, you end up missing out on opportunities to truly help your customers and leads.

Your customers’ goals don’t start and end with your product. They want all the help they can get to achieve their desires and remove their pains.

I looked at our audience and noticed something...

About 50-60% of them were in the business of selling digital marketing services to clients. More importantly, collectively their biggest struggle was acquiring new “dream clients” for their services.

And that happens to be something I know a lot about.

From 2015 to end of 2017 I was running a successful digital marketing agency - White Coat Digital - that was consistently and predictably acquiring new clients... so I had been through the rough journey of trying to scale an agency.

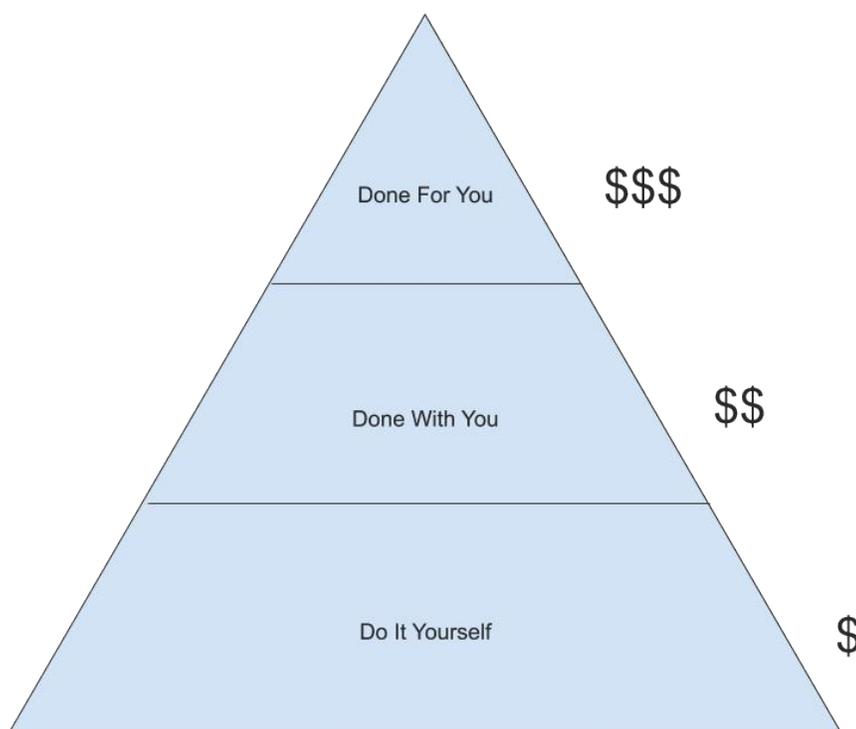
The first 18 months were a massive struggle, but the following 18 months we were able to scale quickly and generate over \$1M in revenue.

This history, paired with everything I know about scaling marketing agencies, lined up perfectly with what our users really wanted.



White Coat Digital was the first agency I started, and where the idea for Funnelytics came about.

I learned a long time ago that there are three ways to deliver offers to customers, each with their pros and cons.



Option 1: Your products or services can be delivered in a “Done For You” format, where your company does the work for the customer (i.e. services)...

Option 2: You can deliver in a “Done With You” format, where your company works with your customer, but ultimately it’s the customers’ responsibility to implement (i.e. coaching or a hybrid course with coaching)...

Option 3: You can offer a “Do It Yourself” format, where you just provide the product or service, but it is up to the customer to implement (i.e. courses).

“**Do It Yourself**” has the benefit of scaling. You can sell to a lot of people and you don’t need a big support system to deliver the value of your offer - but the downside is that it’s hard to charge premium prices.

“**Done With You**” allows you to charge higher prices, but because there’s a human element to the delivery, there is a limit to how many customers you can take on. With the right structure and delivery, this option can still be very scalable.

“**Done For You**” allows you to charge the most because, ultimately, everyone prefers things done for them. The problem is that it has the most limitations in terms of scalability.

That said, most of the users we were acquiring were not ready for analytics, but many of them still wanted help and support around growing an agency. A high ticket offer would allow me to generate capital and continue to fill my bucket, while the dev team continued to build our tool.

Knowing the infrastructure and resources required to scale a proper “Done For You” offer, I chose to do a hybrid coaching/course “Done With You” model.

I took ALL of my templates, resources and knowledge from my years of running White Coat Digital and put together a sort of “agency-in-a-box” program that I called the Funnelytics™ Agency Accelerator



Like I’ve mentioned before, I always want to test my value proposition and sell something before investing too much time and resources to create it... so that’s exactly what I did.

I wanted to sell the coaching program for the first group of people at around \$2,000 and, as a rule of thumb in marketing, the higher priced the offer, the longer you need to build trust with potential buyers before they make a decision.

GROWTH TIP 23:

Price dictates the amount of marketing required to make the sale.

Are you educating your prospects enough before asking

At a \$2K price point, your options are typically to sell via a long-form webinar presentation or over the phone.

For someone to pull out their credit card and pay \$2,000, they need to Know, Like and Trust you thoroughly. It’s very hard to pull that off with a simple 10-minute video. You need to either speak to someone 1-on-1, or you need to spend 60-90 minutes educating them, sharing stories and building a relationship via a webinar.

I chose to do a webinar because phone sales aren’t something I particularly enjoy.

Crafting the perfect webinar is key. If you want to learn the formula for a perfect sales webinar, then I highly recommend you read Russel Brunson’s book “Expert Secrets”... but let me quickly breakdown the process and how I used it to sell the Agency Accelerator.

The most important question to answer when crafting a webinar is: “What is the #1 thing that my audience wants to solve?”

For freelancers and small agency owners, it’s typically “generating a consistent and predictable flow of clients.” The entire job of the webinar is not to teach them about how to generate a consistent flow of clients... it is to make them BELIEVE that they can generate a consistent flow of clients.

The only way to make someone believe something is by sharing stories and creating epiphanies in their minds.

This is where most people get it wrong. They try to teach on a webinar instead of sharing stories that will make people believe.

There are three core things that can stop someone from “believing”:

#1: THE VEHICLE

If our aim is to make them believe that they CAN generate a consistent and predictable flow of clients, then they need to believe in the “vehicle” that will help them achieve that.

The vehicle that allowed me to generate clients for my agency is a specific funnel that I call the “Agency Ignite Funnel”... so I need to share stories and case studies/testimonials that will make the audience believe that this is the right vehicle for them.

#2: THE INTERNAL

Once the audience believes in the vehicle, they will start to come up with excuses as to why it won't work for them. The first set of excuses will be centred around their own Internal Fears.

The biggest internal fear that freelancers or small agencies tell themselves is, “I trade time for money and I'm not qualified to charge premium prices, so even if I wanted to implement the Agency Ignite Funnel it just won't work for me.”

Again, my job is to crush this false belief and make them believe that they CAN charge premium prices... and the only way to do that is via stories and case studies.

#3: THE EXTERNAL

The last set of excuses will be centred around external fears.

By this stage, they believe that the Agency Ignite Funnel is the right vehicle for them, they also believe that they can charge premium prices for their services... But for freelancers and small agencies, their biggest external excuse is “Even if I wanted to do all of this, I don't have the time or people to help me.”

So my last job is to make them believe that the influx of new, ideal clients will allow them to scale their team and will actually free up their time.

The webinar should crush all of these false beliefs so that by the end of the presentation, they now believe that:

- a) They can generate a consistent and predictable flow of clients for their services
- b) That the Agency Ignite Funnel is the thing that will get them there
- c) They can charge premium prices and stop trading time for money
- d) They can assemble a team to help them deliver so that they can free up their time

If this is done properly and the offer is irresistible, then they have to buy.

I spent almost two weeks crafting a webinar using this formula and I hosted this webinar LIVE in the month of August. In fact, I hosted the webinar live 4 times in a row (with slight variations and improvements each week).

The first time I hosted it, I brought in 8 people at \$2,000. The second time, I closed an additional 12 people at \$2,000. By the end of the month, I had just shy of 50 people in this new coaching program that was going to start in September.

This allowed me to feel pretty confident that this was something many of our users would want - and if I built it properly then it would be something that could scale as an additional offer to our users.

GROWTH TIP 24:

Always think of ways to help your customers achieve their desired goals.

Introduce a high-ticket offer as part of your business if you want a quick cash boost.

CONCLUSION: YEARLY WRAP-UP

So after 12 months, Funnelytics went from a simple idea with nothing... to over 70,000 users, 6,500 customers, \$1.8 million in revenue, 11 full-time employees.

When you summarize it like that, it sounds pretty sexy, right?

But now you know that it wasn't so simple. A lot of different things had to happen for all of this to work the way it has... including a decent amount of luck and timing.

Ultimately, 2018 was the Year of Launch. My primary objective was to launch this thing and make a splash in the marketplace.

Mission Accomplished... but we are a long way from our Vivid Vision.

2019 is the Year of Retention.

Our objective now is to continue to build a company that people love and stick with for a long time.

As I'm writing this "conclusion", we just finished Q1 of 2019 and we've transitioned from Lifetime Offers to Recurring. We've been gathering huge amounts of data on our users and how they are interacting with us.

This switch has been a massive challenge... and I can't wait to share it with you at the end of 2019.

I hope you enjoyed the read.

Cheers,

Mikael





Funnelytics