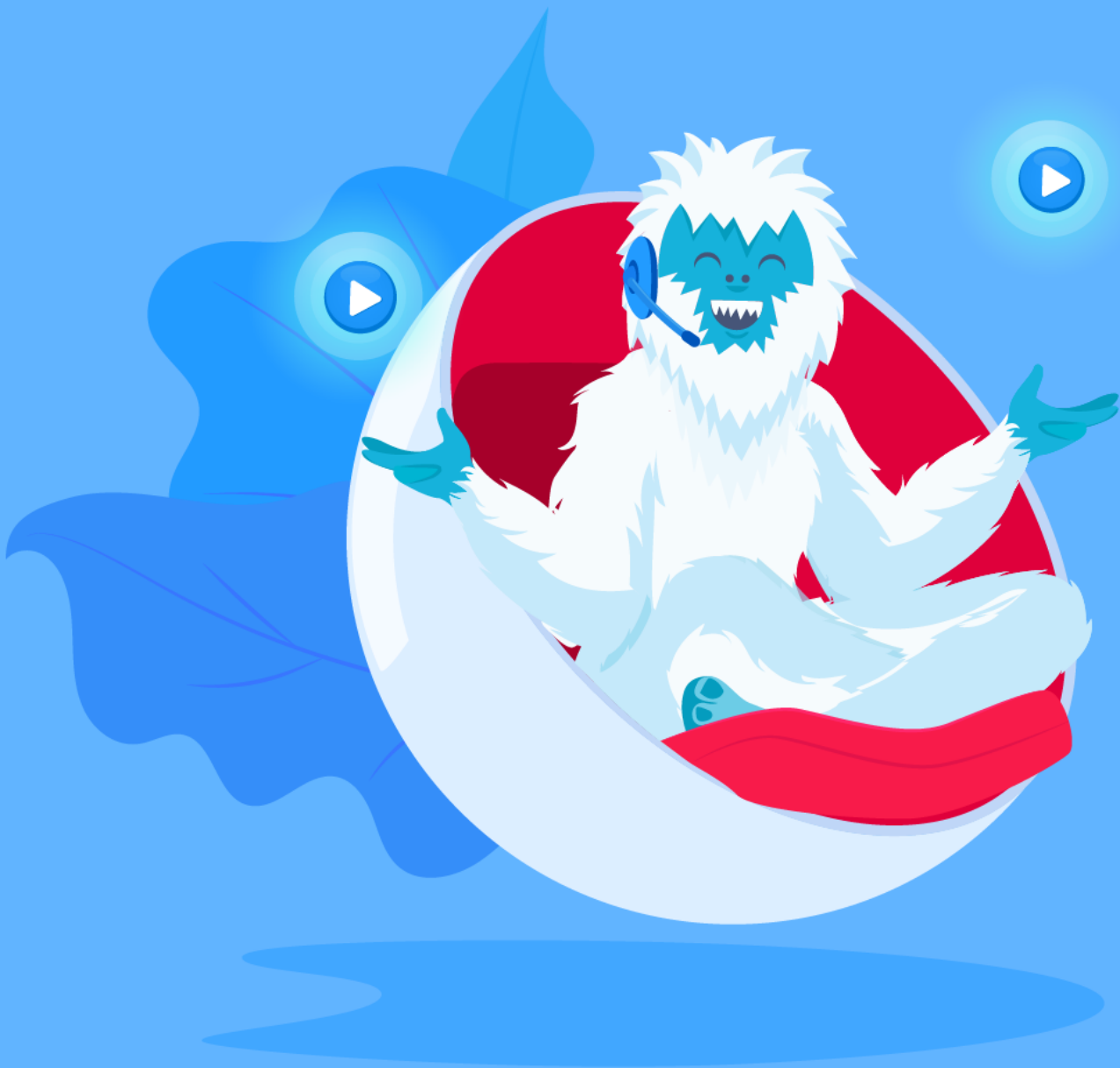




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Namecheap Expert Summit

Setting up a good foundation for your business - a tactical guide for success | Loren Rochelle

Hello, I'm Loren the Co-founder and former CEO of NOM. A video advertising technology company focused on data and transparency. NOM helps advertisers minimize wasted ad spend and improve video ad performance across YouTube and other social companies.

So before we get started, I'll give you a quick background. I grew up in Central Florida. I moved to California just before high school. I always tell people, I felt like an unlikely entrepreneur because I never would've called myself that. I came from a poor family, I was one of maybe a few people to go to college and I think only the second to graduate.

So I graduated during the height of the recession in 2008 with no relevant work experience. I had a job as a graphic designer for a bit but with the economy in such bad shape, I was quickly laid off.

I decided to start a small jewellery company which was really born out of desperation. I used what little money I had left after paying bills for supplies and I taught myself everything. From making the product to building the website, word of mouth marketing, digital media, branding, you name it. I had to figure it out.

I eventually used the experience in building that business to get my first minimum wage paying job at a startup in 2009. So that was an e-commerce retail website and the vision was really interesting but ultimately it wasn't successful. It was a really good lesson though, in that you will fail but there aren't really failures because the founder of that company actually ended up turning that business into a hugely successful clothing company. And I ended up learning a lot in my short time there about startups, which was great.

So in 2010, I left that company and that was where I really started my career in the video distribution industry. It was a very small space and I quickly became one of the few experts in the field. But I realized then how many holes there were in the industry. And I became really passionate about fixing the problem.

So from that point until 2014 I hopped around to a few different startups looking for somebody who was doing it right. But after nearly four years of searching unsuccessfully I decided that if somebody was going to do it it was going to be me.

So in 2014, I partnered with my co-founder and we started NOM with two other people. We had \$4,000 in startup cash and we grew it to an almost \$22 million business in five years.

So flash forward, 2017, we actually sold the business. And then in 2019, we were named number 10 on Inc. 5000 fastest growing companies in America. Which we are so honored to be a part of and proud that we were able to accomplish that. So this brings us to where we are today. Let's dive in.

Everyone knows the analogy. If the bones are good, nothing else matters. This can be applied to your home, your relationship, your family. It can absolutely be applied to your business. So today I want to talk to you about setting up a good foundation for your company. You're all going to create multi-million dollar businesses right? So you should be planning for that now. It's really the best advice I can give.

And today I want to share with you how to choose a partner, the importance of planning, the power of relationships the most common failures I've seen and some tools that you can really use to get started now to organize yourself for success in the future.

So let's dive in. Lesson is get real with yourself. No one's good at everything. Understand your strengths and your weaknesses, find a partner that you trust and that compliments your skill sets to work with if you can. And don't feel like you have to do it alone. If you do that is likely your ego talking.

Always remember that a smaller piece of a bigger pie is still more. If you can be 50% more successful with two people you'll be better off in the long run. I'll give you an example. For me, I'm very creative and very strategic. I love problem solving, but I do not enjoy the day-to-day slog. I knew I wouldn't be able to effectively manage our company's operations and finances to scale, something long-term because I didn't enjoy it enough to become the expert in it. This was however, my co-founder's great strength. So he ran operations and I did everything on the front end initially, this ran the gamut from sales to marketing to branding, to account management, anything that touched our client or customer I handled.

This also doesn't necessarily need to be a co-founder or somebody that you employ full-time in the business. It could be an advisor or mentors that will really help you along the way.

Just make sure that you are compensating these people in some way for their time. I have structured these arrangements in a couple of different ways. They can be structured a lot of different ways, but the two that worked for me were.. The two that worked for me were a hundred percent equity, and a mix of equity and compensation. For a hundred percent equity you could offer a quarter of a percent or a half percent with a three-year vesting period. This vesting period simply means that the equity is earned incrementally over time. Which is really important because you want to incentivize people to stay connected and invested to the business for a long time. A quarter to a half percent may not seem like a lot but it's actually very generous for somebody who's only going to be giving you an hour or two of their time each month. You could also do a mix of equity and compensation.

For very hands on advisors I would say anybody that's spending five plus hours with you a week. You could give them that quarter to half a percent plus a monthly stipend that could range anywhere from a thousand dollars to \$10,000 a month. It really depends on their contribution to your business. You likely wouldn't want to pay somebody \$10,000 a month for example, unless they were really contributing to the sales and to your bottom line.

All right, my next lesson is unleash your inner virgo. In other words, plan, plan, plan. And then when you're done, plan some more. What do you want your business to look like in five years or 10 years, ask yourself this. You should be thinking about this now, put it to paper and work towards that. Every move you make should be in an effort to accomplish these objectives. This is a paramount step in planning for your business because this is the one exercise that you can refer back to again and again to ensure that you are keeping your focus.

Which brings me to my next point, which is failures. Most of the companies that I see fail fail for one of two reasons. The first being, they lost their focus on the ultimate goal and started going in a hundred different directions. This could be because they took funding from someone and were careless with it. Or the investor was not a good match for the business and wanted to take the vision in a different direction. It could be that the business focused too much on what their competition was doing and tried to pivot too often.

The second one I see a lot is ineffective leadership and bad hiring practices as you grow or scale your business. Having the right people on your team and taking care of them will really catapult your success. You may be asking yourself, "well how do I know if I have ineffective leadership?" The answer to that is really that strong leaders work alongside their people, serving them instead of simply delegating to them. They're also committed to the advancement of their teams. So hire very slow and fire fast If it's not working out, I can't emphasize this enough. Many people, business owners don't know this but losing and rehiring employees is not only bad for company morale and bad for company culture. It will end up costing your business so much more in the long run. So hire slow, take care of your people pay them well and keep them forever.

Never underestimate the power of relationships. Help people expecting nothing in return. The good fortune will always come back to you tenfold. I spent the first four to six months of my business meeting with people and helping them accomplish their goals with no hidden agenda at all. Some of them ended up becoming some of my biggest company advocates and customers down the line when the company began to grow. I understand this can sometimes be hard. We're living in a pandemic. We're just trying to keep our heads above water. You have no safety net and we don't have the luxury of time. But to the extent that you can, even giving someone 30 minutes of your time to help them accomplish something or connect dots, make an introduction to somebody in your network that can be helpful for them. This goes a long way and do as much of it as you can. Think about how good it feels when you pay it forward that person is going to feel the same.

Get everything in writing. Another common mistake I see entrepreneurs make is not having agreements or partnerships clearly defined in writing. No matter how much you think you trust someone spending a few hundred dollars in the beginning of your company journey on a contract can save you thousands sometimes millions and a lifetime of headache in the future. So I'll give you some examples.

Decide whether you want an LLC or a C-corp and form your business entity. If you have a partner, create a partnership agreement even if you don't have an attorney involved to make sure expectations and responsibilities of each party are clearly defined. You could even bullet this out on paper and have both partners sign it. If you don't have the funds yet to have it professionally

drafted. If you have a retail product, make sure you're checking trademarks. If you're building something completely new make sure you're looking into patents. They aren't necessary for everyone but it's definitely something that you should explore.

It's all this unsexy stuff that will save you time and money and potential lawsuits. Realistically down the line. Legal Zoom is super easy and you can do just about anything you need to do for starting a business now. So there's really no excuse not to have these things done.

All right, now we're going to switch gears. I want to talk to you about some tools that you can use to accomplish your objectives. There are a lot of tools out there that I've used over the years, and these are my tried and true. They aren't the only tools that exist out there to accomplish these things, but they're the most effective in my experience. And they have the ability to grow with your company. Which is really important I'll explain a little bit why.

The first tool is Google Suite, your website, your email, your branding your social channels, your contact info. It all needs to be consistent across the board. I call this a labor of love because setting it up is very time-consuming and it doesn't immediately provide revenue. So it can feel taxing. I spent so much time in the beginning of our business creating our first logo, building the website myself and designing business cards when we started NOM because we had no funds. And I wanted the company to look polished and put together,

People would often tell me that they thought I was wasting my time and that no one would look at the website and cards get lost or thrown in the trash. But the fact is that these things are your physical and digital calling cards. When people go looking for you it's the first thing they see. This is why services like Namecheap are so important. Even if people or potential customers don't spend a substantial amount of time on your website, whether you have them or not could determine their first impression. So again, get your house in order. It establishes credibility and it could be the reason someone works with you or not or buys your product or not.

The next tool I will share with you is Google Drive which is part of Google Suite. And it's a folder system. There are other folders systems out there but this is the one that I like to use. This folder system lives in the cloud. So you can save

into folders, you can share your folders and you can collaborate on documents with people.

The next tool I recommend is Slack. Slack is a business communication platform that provides chat rooms organized by topic private groups, and includes direct messaging. It's great because you can organize conversations into categories and invite anyone that's relevant to the conversation. Whether they are part of the company or not to it. And it keeps you from cluttering up your inbox with confusing email threads that can sometimes be a hundred emails deep. It's a lifesaver.

Next is Asana. Which is essentially a project management software but it has loads of capabilities. You can create goals and objectives for yourself, you can create and manage timelines for projects, or in the case of product you can manage your production and distribution. It also has a lot of customization. It connects with Google Suite, which is super convenient and there are account managers that will help you to learn the platform and set it up. It's also affordable and scalable, which means it will grow with your business which is really important as I mentioned before. Because you don't want to outgrow your software. Exporting data can take months and you don't want to have to transport to another system. We had Asana, a five person team and 50 and I'm confident it could go beyond that.

As a simple sales tracker, I recommend HubSpot. It's a sales and marketing tracking tool. It allows you to track your sales leads from your first conversation to closing the client. But you could also use it to track conversions and follow up with people. It's also a great marketing tool. You can use it to set up your email marketing and sales pages within your website. It's a great tool.

Another tool is Expensify. This is a very simple software that allows you to manage the spending for your business. It's really easy to set up and easy to use. Separately on this note, my advice would be to make sure you get a business credit card and open a new specific account for your business that you are only using for business expenses. Owning a business means a lot of new tax complications. So keeping your business and your personal expenses separate will help you a lot when it comes to filing. On the plus side having your business means a lot of things that used to be personal expenses can now be clarified as business expenses that weren't previously like your rent for example, if you do work out of your house or your car if you are primarily using it to drive to and from work.

And the last tool that I want to share is DocuSign. Which goes back to making sure you're documenting everything. DocuSign allows you to easily send documents to people for signature and then store them so they don't get lost. As an extra measure, I would always organize my signed documents and any previously edited or revised versions into my drive folders, based on what they were for because it's always good to have a second copy stored somewhere else as a backup.

Well, that concludes all my strategies and tools and tactics for getting you off to a good start. Laying a good foundation for your business and setting you up for success.

I truly hope that this has been beneficial and helpful to you, and I wish you the best of luck in your future business.