



Ray Edwards Show, Episode 385

Recurring Revenue with Stu McLaren

- Speaker 1: [00:01](#) This is the Ray Edwards show, episode 385 all about your tribe. Stu McLaren,
- Speaker 2: [00:12](#) The Ray Edwards Show. This is the podcast for prosperity with purpose.
- Speaker 3: [00:21](#) This week's show is a full on interview with my friend Stu McLaren. We've known each other for over a decade and Stu has become famous for helping entrepreneurs build low stress, high profit businesses using a recurring revenue. How does that sound? How does having recurring revenues hand, how's that sound to start every month, not at zero and your revenue and wondering where's my next client gonna come from, Stu can help, and that's what today's interview is all about and we're going to dive right into it right now. Let's talk about something that I think you call the recurring revolution and I think of is
- Speaker 1: [00:51](#) subscription economy. Yes. Here's what gets me excited about this. Ray is like, it's been happening kind of under the radar for a number of years in you're, you're seeing the big companies, you know the companies like the Amazons and the apples and the Netflix and Spotify. It's like they're all moving towards a subscription business. In fact, there were several headlines right in a row from apple who, I mean they're investing heavily in subscription. Last year they bought a company that would enable them to deliver high quality online digital subscriptions through a um, you know, uh, it, which would be a membership and subscription. They, um, they're massive source of their revenue comes through there, uh, online subscriptions, through their apps and so forth. And you're seeing all kinds of companies that, you know, traditionally we would never think to have an online membership or a recurring subscription like companies like Walmart, heck, Burger King just announced theirs.
- Speaker 1: [01:49](#) And so these big companies are all moving that way and it's because it creates a more stable, steady stream of income. But the cool part about this is that like along with that, so there's this trend moving towards membership and subscriptions and consumers are getting more and more comfortable with it. That's one trend.

Trend number two is just the amount of money that is being spent on education after college and university. And it's like in the hundreds of billions of dollars. And so when you factor these two things together, it makes the perfect storm for everyday businesses, no matter whether you have a product based business, service based business, knowledge based business or community based business to really take advantage of this in a positive way of being able to go deeper with your clients and customers and at the same time create more stability in your business. So to me there's like, there's like a line in the sand, there's like the old way of doing business, which is like hoping that kinds and customers are going to come back and buy from you.

Speaker 1: [02:49](#)

And then there's the new way of doing business, which is knowing for certain that they're going to come back and buy from you. And what I'm looking to do is just help more businesses create certainty by generating more recurring revenue in their business. And the real trick is providing them a good enough reason to keep coming back. Right? Yeah. I mean, look, at the end of the day, it, uh, a great offer is important no matter what type of business you're in. But with membership sites, it's really simple. People stay if they're happy, like I don't know how else to explain that, like, but you know, and when it comes to like knowledge based memberships as an example, as long as people are making progress, they're making progress toward something, towards some outcome, towards some transformation. And we think that it's gotta be massive progress. It doesn't, it just needs to be a little bit of progress.

Speaker 1: [03:43](#)

But the bottom line is as long as, as long as people are making continuous progress, they'll stay. Like, I've never heard, I've worked with tens of thousands of membership sites, uh, and all kinds of different markets and I've never heard of somebody canceling from a membership site because they're making too much progress, you know, so like as long as we focus on and put the focus where it needs to be, which is helping them make progress, they'll stay. The other side of it is that like, I've also never heard of anybody canceling from a membership site because they have built relationships that are too good. Like, so as long as people are connecting with you and with each other and that they're making progress in some fashion, people won't leave. And so you hit the nail on the head that basically comes down to on the front end it's a great offer and on the backend it's about just taking care of people and as long as your focus is where it needs to be, they win in terms of your clients and customers and members and you win because the longer they stay, the more profitable the membership becomes.

Speaker 1: [04:42](#) And it doesn't have to be super complicated and it doesn't have to be traditionally what people think of as a membership site. Um, what most people would think of when they hear that term, because I heard you talking about a massage therapist and I have a massage therapist locally that I see every week and she has a membership. So I pay a fee every month and I get a free massage free. I'm paying for it, but I get discounts with any additional massages that I want. And I get them frequently because I have lots of tension in my muscles because of my health problems and it's super helpful to me and I'm happy and I'm making progress and I wouldn't dream of canceling. Totally. Yeah, that's exactly what happened with Mary Clair for dead, you know, so she had a massage business and what she found was that her income was really sporadic.

Speaker 1: [05:27](#) Like some months she'd be rocking it and she'd be packed solid other months there it was pretty sparse. But the problem for her was that she never knew which month was going to be, which. So, you know, her income was always up and down and there was no predictability to it and it created a lot of stress. And so she created a membership site and once she launched it, you know, she didn't have like, you know, thousands of members didn't even have hundreds of members. She had 17 members that join. But here's the difference. Those 17 members gave her the predictability of knowing that income, which was over, it was over a thousand dollars. There was a close around \$1,200 a month for her that was going to be coming in no matter what every single month. And the cool part about it was she had a very similar setup to what you described there, ray, where members were signing up for a 60 minute massage.

Speaker 1: [06:15](#) But what she found was that when members were coming in, they were, a lot of them were upgrading to a 90 minute massage. So she ended up making more per member than she initially anticipated. So it ended up becoming even more profitable than that. Uh, initial 1200 so bottom line though is that that what that did was it created stability in her business and it gave her peace of mind. And I think more than anything, as business owners, that's what we all want. I mean, the last thing that we want is to hope that customers are going to come back, but never really knowing whether they will or not. What the membership does is it creates test stability and predictability into the business. So you can start planning for things. You know what the income is going to be month in a month out and you can start planning, you know, whether you can hire people and you can invest in different projects and so forth.

Speaker 1: [06:57](#) But when that predictability isn't there, everything is a question mark and that's what creates a ton of stress for entrepreneurs. So you know, it's one of those things where no matter what type of business and we see it with product based businesses, like even I was relaying this the other day, a couple months ago, I was back in San Francisco and I'm walking through the shopping mall and I go to get a green juice and I come up to the counter and on the counter is a, a menu with all the juices listed. And on one side is the member price. And on the other side is the nonmember price. Oh yeah. So like be in the membership guy. I'm like, well what is this like what does this membership you speak of? And, and the girl behind the counter says, well now it's pretty simple. If you pay \$10 a month, you get two green juices. And every green juice thereafter that you buy us at the member price of \$5 versus the nonmember price, which is \$6 and 50 cents. And so it's genius because it's just like, look, you know, um, now the members get the benefit of the discounts for ongoing juices and the store owner gets the benefit of knowing for sure that all those members will be paying them \$10 a month no matter what. And so it's just a complete shift. And so it's like a benefit for the members and it's a benefit for the business owner. Everybody wins

Speaker 4: [08:18](#) and people used to be a lot more resistance to monthly charges than they are now. I think it's become accepted. There's things we know we're going to pay for every month and we don't mind cause we love it so much. Like Netflix comes to mind. Obviously that's, that's one that's a no brainer. But I know there's, there's software apps that I pay every month for like text expander and I want to buy the membership because there's added benefits. And I just think it's, it's used to be, I think people thought, well nobody wants to add another charge monthly or annually or quarterly to their budget. But it comes back down to getting people, making people happy, providing them something that them value, makes

Speaker 1: [08:56](#) them feel good, it makes them healthier, makes them have more peace of mind, whatever it is that you provide. I think people are happy to invest in that on an ongoing basis, much more than they ever have been. Yeah. Well I think we can thank Columbia House back in the day for skewing our perspective on membership sites. I don't know if you remember where it was like you pay a dollar and you get like seven cds and then they ended up charging you like, you know, \$50 a CD. It felt like afterwards. Um, but you know, we've come a long way from those days, you know, and as you said, now it has become a situation where as you know, clients and customers, we, we prefer it. We'd rather pay on a monthly basis knowing that, you know, with that we have that ongoing service, that ongoing, you know, investment

into the products and services, the client care and so forth.

Speaker 1: [09:44](#) And, uh, and that's what people want and you hit the nail on the head as long as we keep them happy. Um, and that they're making progress. Many times, like people will join a membership site for convenience. Like, heck, you know, my wife and I, we, we belong to a number of subscriptions. Like one of them is a box of organic fruits and vegetables that's delivered straight to our door every week. Now, of course, we'd go down to the grocery store and we can get it ourselves, but it's way more convenient to have the membership that delivers it to our door. And so, you know, people will pay for convenience on a monthly basis as well. And so there's a whole variety of different reasons why people will join a membership. But the bottom line is that it is here and it is now and it is the future of business because of all the benefits that come with a membership and subscription.

Speaker 1: [10:29](#) And this is why we're seeing so many different types of businesses make this transition. And why as business owners, we absolutely should be thinking about it for ourselves. Well you were talking earlier about how much more we're spending on education after college. So I know there's a lot of people who create products and teaching and training online. Is that something that you're seeing more of and I mean how, how much of a market is there for that still? Has it gotten saturated? Can it be a weird topic? Does it have to be some like I'm teaching ancient history or some astrophysics or it's virtually any topic under the sun that you can think of. And, and when I say that I, I'm not like exaggerating by any means because literally you name it, there is somebody in our world who has created a membership around it.

Speaker 1: [11:18](#) Like, for example, you know, uh, we can talk about Michael Kilpatrick who has a membership site for farmers. You know, one of his, uh, you know, memberships, uh, was teaching people how to grow lettuce, you know, and so yes, you know, he has a membership site for farmers. We have tear a wall. She's got a beautiful story. Perhaps we can talk about the backstory on terror Walsh, but to show that the nicheness of hers, she helps lash entrepreneurs like eyelash entrepreneurs. Or we could talk about Karen Cinnamon. Karen cinnamon has a membership site for Jewish brides to be, and so there's all kinds of examples or we could talk about, um, to Mira Bennett. Tamara has a membership site teaching people how to paint decorative door hangers. We could go on and on about all these crazy little niche markets. But the bottom line is like all the big markets like photography and calligraphy and fitness and finance and music and

health and art and dog training and so many more are also covered.

Speaker 1: [12:17](#)

But the bottom line is, is that people love to learn. And not only do they love to learn, but now more than ever it is getting harder and harder to learn because there's an abundance of free information. And this is one of those counterintuitive approaches that many times people will say, well, wait a minutes to if the information is for free and it's available for free, why would anybody pay for it? And the reason is because there is so much available for free that it's becoming difficult for people to sift and sort through and find the few things that are going to be helpful to move them forward, to make progress in the direction they want to go. And so what they pay for a membership is the ability to have you filter through all of that and just give them their next steps. People are paying for clarity and so they want to be told what to do.

Speaker 1: [13:04](#)

They don't want to have to sift and sort through a whole bunch of information. They just want the few things. They're going to help them make the most amount of progress. So yes, absolutely. People are still hungry to learn. They're just hungry to learn in a more efficient way. I want to go back to the eyelash thing and just a minute, but I just want to underline what you just said because for me personally, if there's information that's available for free, I often don't trust it because I'm not, I don't feel like the sources vetted. I can rely on them to keep supplying information. I just bought a membership for training in a a software APP called Ulysses, which is a text editor and it's, it's a nerdy text editor for people who are like nerdy text editor things and I'm really into it and I want to learn more about how to use it, make the most of it.

Speaker 1: [13:46](#)

And I bought a membership but there's plenty of free articles and videos but I don't have time to chase them all down. I don't know how whether they're on the cutting edge, whether they have the latest version of the software, but I know that the one I paid for provides all that so I'm happy to pay for it. Yeah, that's, that's another consideration. Cause I, I know it sounds weird, but a lot of times I'm suspicious of the free information that's available. Well, it's interesting too because here's the other thing to think about. When somebody is, uh, generating income to be able to provide that information, they can invest more to produce a better quality product. You know what I mean? Like if, if somebody is just producing information for free, they're limited in, in terms of the resources that they have to craft that uh, you know, product.

- Speaker 1: [14:30](#) And so whether it's a digital product, whether it's just a free blog or whatever it may be, there's, they just, there's no, there's no bandwidth. Like for example, just the other day I was talking to Deborah Stewart, now Debra Stewart, she is a preschool teacher and she has a blog that is wildly popular, giving away tons of free information. But she said on there, what happened was like her blog got to a point where, you know, it had grown and grown and it was costing her a lot of money every month to maintain that blog. So she was at, she had a choice. Like she either had to think about ways to generate revenue from that audience or she was gonna, you know, go further and further in debt trying to support a free resource that she was providing. Now the good news for Deborah is that, you know, she ultimately decided to launch a membership site and is welcomed hundreds of members and it has not only paid for the blog itself but has given her and generated a, a very viable recurring revenue stream. Again, all providing information for preschool teachers. But bottom line is that like that's a huge distinction is when somebody has financial resources, they can produce a better product, they can invest in research, they can invest in greater, better riding or a better production, which all of which creates a better product, helping their members make more progress easier and faster. So there's, there's so many advantages, uh, when you are comparing free content versus paid content cause paid, they have the financial resources to make it really great.
- Speaker 4: [15:58](#) Well, and I feel the same way about software. I know that the developers will keep developing. If I pay them. So I'm happy to pay them. And I want to go back. I want to, I want to go back to the eyelash thing though. That seems like a totally obscure, tiny little market and I'm, I'm wondering how successful can a business like that be and can the, how much did they charge for membership and can you make any real money at that or is it just like extra spending money? How does that,
- Speaker 1: [16:18](#) well, terrorists, terrorists situation is, is really unique and special. Like she, um, know she was supporting her family, you know, with her eyelash, uh, business and I didn't even know this was a thing. Um, but it is, and long story short, like she was in a really tough situation because her husband, uh, was in the army and had come back and was suffering from PTSD, like pretty bad. And it was causing a ton of challenges for him and for, uh, Tara and for their family. And she knew she had to get him help, but the help that he was going to need meant that he would need to move out into a second home. Therefore doubling their home expenses. And that created a ton of pressure, especially for Tara because you

know, at the time, you know, she was the one that was primarily a supporting the family.

Speaker 1: [17:10](#)

So she had this, uh, eyelash business and it's basically helping like, uh, women, um, with a fake eyelashes. And so long story short, she created a membership site and in the beginning it was doing, it was doing okay. It was doing about \$2,000 a month. But what she decided to do was she, uh, invested in herself to be able to learn how to take this and really, you know, market it and get it out there. And so in the last 12 months, this is just in the last 12 months, she's grown it from \$2,000 a month to \$13,000 a month. And now it's over \$30,000 a month. Wow. Ching eyelash entrepreneurs how to grow their business. It's crazy. Right? And so bottom line is like, you know, that has given her so much more breathing room financially, and now obviously it's enabled her to get her husband to help that he needs.

Speaker 1: [17:59](#)

And they're not totally out of the woods yet with with respect to all of that. But she no longer has that pressure on her from a financial perspective and now she can absolutely get him all the help he needs so that he can make the progress in the shortest amount of time possible. So, you know, for me, like when I think about business and when I think about, you know, recurring revenue and we're talking about making money, yes, the money's important, but it's what the money enables us to do. And in Tara's case, it enabled her to get her husband the help that he needs. And because of that, their family unit is going to stay together because of that. Their relationship is going to stay together because of that. Her husband is going to make a full recovery from this. And so that's what this is.

Speaker 1: [18:40](#)

This is, this is what it means. You know, at the end of the day we talk about making money, but it's what that money makes possible. And it's stories like terrorists and it's stories like you know, Amanda and Jonathan Text era, you know, they uh, had a business helping people with uh, manage their finances and it's a beautiful story because they were at our tribe live event last year and, and they're having a great time and then all of a sudden they got this phone call and I remember getting this phone call myself because my wife and I, we adopted our son from South Africa and I'm, I distinctly remember where I was and the phone call that we received when we were told that we were matched with our son. They got that phone call at tribe live and so they were like elated and excited and super pumped. Like they had been waiting for this.

Speaker 1: [19:23](#)

But then the reality also hit and that was like eight weeks from that point they were going to need to come up with

the financial resources to pay for the adoption. And so they were equally excited, but they also felt the tension and anxiety of like, ah, how are we going to be able to do this? Well, they launched their membership site and it now it produced over \$30,000 in revenue from the launch. And the great part about it was, is that not only did it support them in the funding of their adoption of their baby little girl, but now obviously that has generated a consistent monthly recurring revenue for them and their family. And so again, it's not about the money, but it has everything to do with what that money makes possible. And that's why I love all these stories of all the different people that um, are launching and growing memberships.

Speaker 4: [20:08](#) What are, that's, that's an amazing story. I mean it's hard to imagine being in a position where you might have to not go through something like that cause you didn't have the money available and the, and the pressure that it would take off of you. It's very exciting, very powerful. And I'm wondering how hard is it for somebody? Let's talk about being under pressure. Somebody is working a job. Maybe they feel like they're off the outer registers or of their ability to work anyway. They're tired when they come home every night. How hard is it for somebody to start a membership that have a good idea, first of all, how do they come with a good idea and then how do they find the time to put something like this together?

Speaker 1: [20:43](#) It's a great question. I mean, it reminds me, um, there's so many people that I could talk about who are in a similar situation. You know, like Sarah Williams is a great example. She owned, still owns a brick and mortar store and in that store she sells like home decor items and uh, you know, a Mon, she monograms a lot of items in that store and, and uh, it's, you know, is a successful store. But it was a situation where, you know, she was working night and day. She's burning the candle at both ends trying to just keep this thing going and afloat. And one of the things that she started to notice was like, you know, her clients and customers, a lot of them were coming in for the same stuff. And so she thought to herself like, could I turn this into a membership of some kind?

Speaker 1: [21:29](#) Now, the amazing part about Sarah is that she is like one of those people who she just puts her head down when she gets an idea, she puts her head down and she just looks to make it happen. It's not a matter of if it's going to happen, it's a matter of when it's going to happen for her. And so she ended up creating a box subscription. And so for her, as with any membership site, you know the most important thing is you just got to keep it simple. In the beginning. I'll tell you another story of Anna saucier who is a great example of this as well. But so with Sarah,

she kept it simple and she started with the box subscription and it started to build momentum. Most of her client base is local, like within her local area and so she welcomed just over 200 members when she launched this witch and immediately transformed the financial scenario and situation of her brick and mortar business.

Speaker 1: [22:16](#)

But over the last year, she's grown that membership site to over 900 members and it has completely transformed her business and her life. And so again, she just kept it simple in the beginning, and this is a really important lesson for everybody as it relates to membership sites, is that in the beginning you want to get it going. You don't want to sit around and waste time, you know, trying to plan to get it perfect because you're going to learn so much more by interacting and serving your members. And what you start with is not going to be what you have, you know, six months, 12 months from that time, because you're going to adapt and change it anyway. So it's much better to get going first and learn with your members. And we've got tons of examples and again, right? I want to you, you guide me in terms of where you want me to go, but like I could share examples of people who have launched at a bare minimum.

Speaker 1: [23:06](#)

Like, you know, Anna Saucier, her story's awesome. I could share stories of people like Wendy or Ann Schneider or Marianne Kane, who didn't have huge audiences of tens of thousands or thousands. In fact, they had tiny audiences, but they got it going and it created a ton of momentum. And that's the most important thing is that one of the questions I always love to ask is, how can I keep this simple? How can I keep this simple? Because many times, especially as content creators, we think that we've got to create a ton of content and that the more content we create, the more value we provide. But that's just not true with decades of experience at. I can tell you one of the counterintuitive, uh, approaches and strategies to membership sites is that less is more meaning the last content you provide, oftentimes the more value you create. Because the number one reason that people will cancel from a membership site is not because your content isn't any good.

Speaker 1: [24:04](#)

It's because they're getting too much and they're overwhelmed. And so what we wanna do is we want to help people implement. And so the value does not come from the volume of content. The value comes from the speed of which people can implement the content. It's not about volume, it's about speed of implementation. And so when you take that in grasp that you start to design a completely different content strategy that not only helps your members get better results, but also

takes a huge amount of pressure off of your shoulders because you're not having to create as much either.

Speaker 4: [24:34](#) Okay. I want to go back in here and a story in just a second, but I want to play a little game with you. Okay. Let's play a game of, let's pretend a person had, oh I dunno. Say a coffee shop. Okay. And you were looking to create a very simple memberships. You could start it right away locally. You really got my attention with this local story. What do you think would be a good ongoing membership for a coffee shop? How would I keep it simple there?

Speaker 1: [24:56](#) Well, okay. The, the most obvious one for coffee is that you create a membership where people pay a flat fee each month and they get a certain number of coffees each month. Just like the green juice example, right? As an example with coffee, Burger King, this is the membership that they launched, you know, so for them, they launched a membership site that's five bucks a month that gets people unlimited amounts of coffee. That's not going to be the same quality of coffee that they would be getting in your coffee shop, Ray, by any means. But what it, they were using it for, it was a front end membership with the purpose of bringing people back into the restaurant. I don't even know, can we call Burger King restaurant? I don't, I don't know. I was like, you can't entirely, okay, well, but didn't describe what we'll call it, the restaurant people pay five bucks a month.

Speaker 1: [25:40](#) Now here's, here's the benefit to burger king. For Burger King, it's about getting people back into the restaurant because they know if they come in, uh, to the restaurant, they're much more likely going to buy something else. And so that for them was the purpose of their membership. But for the purpose of your membership, I think you could mirror of something very similar to the green juice where it's people pay a flat fee and they get a certain number of coffees. That's one idea. Another idea might be, you know, a different blends of coffee that are sent to people on a monthly basis. Um, and so, you know, it again, you could try out different blends of coffee. And so it's for those coffee lovers who love to try different types of coffee perhaps from around the world and, and so from the coffee shop you could source it or whatever it may be.

Speaker 1: [26:24](#) Um, but that could be another example. Another example could be like, um, teaching people about, uh, how to, how to prepare coffee. You know, we had a joke here in our office cause we've got a whole new kitchen set up and, uh, you know, the guys are, you know, testing different types of coffee and, and uh, Rasheed was joking

that he's like this, uh, the, the, uh, the team Barista and a he. And so he was, he was teaching all of us like about different types of coffee and how to prepare it and so forth. But there's many different ways that you could incorporate a membership, uh, at the coffee shop. But here's the most important is that it transforms your clientele from one time transactions into recurring monthly customers. And it's a completely different business. When that happens. Like as an example, across the road from our office is a car wash and new carwash, a relatively new, it's just over a year old.

Speaker 1: [27:13](#) And I remember like last year when they opened it, the guys came into the office and, uh, they said, hey, if you got your membership yet, and I said, my membership to what? And they're like to the carwash, I'm like, the car wash. They're like, yeah, it's built on a subscription model. So of course being the membership guy go across the road to check it out and, uh, it was genius. Their offer was absolutely genius. You could go through the car wash one time for \$10 or you could pay \$12 a month and have an unlimited number of car washes. Hello. Like no brainer. Right. And like who's going to pay the one time when you pay two bucks extra and go through an unlimited number of times. So that's exactly what I did. I paid my \$12 and when I was paying I said to her, I'm like to the girl behind the counter, I said, this is amazing.

Speaker 1: [27:57](#) I said, how many people have you had sign up since you opened? And they'd been open about a month and a half at that point. And she's like, ah, we have, it's, she says it's been crazy. We've had just over a thousand or 3000 people sign up. I said, 3000 people. She's like, yeah. I'm like, that's amazing. She's like, I know it's kind of crazy. Well fast forward, like my car is sparkly, clean cause I'm going through this car wash every day cause it's right across from our office. And, uh, Amy, my wife says to me, Stu, like your car was always looking, you know, Prim and proper. She's like, can you clean my car? I said, I can't do that basically cause mine's with the, I have a membership for my car. And she's like, well go get a membership for my car. So I was like, okay.

Speaker 1: [28:36](#) So I go back and I go in again, this is about a month after when I got mine and I'm asking her again, I the girl behind the counter, I said, so how many people do you have at part of the membership now she's like 4,500. I said 4,500 and it's crazy because here's the, here's the amazing part about this. Literally 30 seconds down the road is another car wash. And every month they are hoping that people are gonna come back and use their carwash. Whereas the one right across from our office, they know for certain 4,500 clients and customers are going to be paying them next month. And so when you look at, it's so fascinating

too. When you look out of the window, you will see literally a lineup at the car wash across the road and it is a ghost town with the other one that's down the road that doesn't have the membership and subscription. So bottom line is that like it transforms businesses and for your coffee shop you can get creative, but you can also just keep it super simple and just have a membership site that rewards people with cups of coffee for a certain flat fee each month. I love that we're going to do that. We need, uh, I mean as, as brand bricks

- Speaker 4: [29:41](#) and mortar business owner for the last 18 months, I've learned the importance of not having to wonder each month where my new customer is gonna come from. Right? Getting people in the door with the free coffee offer like you were just talking about. Well not free. It's part of your membership as much as you want. I mean, it's going to get him in, they're going to buy, other things are going to invest in other kinds of coffee, other drinks.
- Speaker 1: [29:59](#) Well, let me give you another idea too, right? Like one of my wife's friends, Lindsey, her and her husband started a local brewery. And so obviously you know, you know where the bricks and mortar business, like there's a lot of upfront expense. So you know, they invested a lot of money to be able to start this thing and it's a small, tiny local brewery. Um, but one of the things that they did, which I was genius was that they launched it with a membership site. So they, uh, basically had a membership offer than enabled people to pay a monthly fee. And as part of their founding members, uh, they uh, got all kinds of, you know, they get a certain number of beer beers each month and then, but also they have like member only, you know, um, gatherings in the brewery that are only exclusively open for the members.
- Speaker 1: [30:46](#) They have the members. It's really cool. The members have all their names engraved in the big brewing tanks right in the brewery. Like it's super cool. So they, they figured out all these other benefits that no necessarily cost them a lot, but create pride in the membership. And so people are paying every single month to be part of that membership. And again, it's a local brewery. So this can be tweaked and modified and adapted to virtually any type of business. You just got to get creative and thinking through how you can reward your members, how you can keep them happy, and how you can cultivate a community around what you're offering.
- Speaker 4: [31:24](#) Brilliant. Now you've brought up a name several times about somebody named Anna. So what's her story? Okay, so

Speaker 1: [31:29](#) story's awesome. She was at our tribe live event last year and she was getting inspired because these stories and I'm sharing, these are real people. So at tribe live you see these people and you hear from them and you're like, oh my gosh. Like they are normal. Like, and it's kind of like, wow, these are normal people. And um, so she's hearing all these stories and she heard the story from, you know, Jamie Swanson, who talked about, you know, we call Jamie the queen of Beta launches because you know, when Jamie launches a membership site, she doesn't wait to have everything figured out. She just launches it. And she uses what we call a founding member script and basically it's a script that we encourage people to use to launch a membership site for the first time it particularly as a Beta launch. And so Jamie was talking about that and Anna was getting inspired and so then by the end and it was like, you know what, like I'm, I'm just going to launch my membership site right here right now.

Speaker 1: [32:21](#) And to put things in perspective, like she didn't have, you know, launch video. She didn't have a Webinar, she didn't even have a sales letter, didn't even have a checkout page. She had nothing but she had this passion like, okay, I'm going to go for it. So she used this founding member script, she sent it out to her tiny list of three and 26 people. Now, um, in Anna's case, she helps fertility practitioners. So she helps people who are helping a women get pregnant. So tiny list, 326 people, she sends the founding members script out and because she didn't have anything set up, she's like, you know, if you're interested in becoming a founding member, just send me a direct message. When they sent her a direct message, she sent them a paypal link and this was the beginning of our membership. Now the crazy part was within 24 hours to that tiny list of 326 people, she generated \$5,024 and that's the great part about this was like it created a massive amount of momentum of which she has leveraged and grown the membership much bigger over the last year.

Speaker 1: [33:21](#) The point of the matter is is that I love the simplicity. She didn't wait to get it right. She just got it going and that meant literally using, sending out an email, encouraging people to direct message her. She sent them a paypal link and that's how it all began. Could it have been better? Yes. Was it messy? Absolutely, but the bottom line is that she got it going and that created momentum. Since then, she's learned a ton about how to really serve her members and how to help them and the membership continues to grow because of it. But it all started because she had and made the commitment to just get it going. Amazing. How hearing her story about how she started without a membership site makes me think about a site. I

think a lot of people are intimidated by the technology. How hard is it these days to set up a membership site?

Speaker 1: [34:07](#) Well, I can tell you because I've experienced this myself, this is how it actually got into the whole membership world, is that it is a heck of a lot easier today than it ever has been. You know, back in the day. Um, that's, that's why I got into the membership world. I was wanting to create my own membership and I was deep into like just trying to figure out the technology and I was way over my pay grade in terms of trying to figure stuff out. Like, you know, ht access and server settings and it was just way too much. And I remember moaning and groaning into it. One of our mutual friends, Tracy Childers. And uh, and he said to me, he's like, well, why don't you just create your own solution? And I said, dude, I can't create my, like, did you not just hear what I said?

Speaker 1: [34:45](#) Like I'm the problem. I'm having this technology, I can't develop anything. And, uh, he said, well, I've got somebody who works with me who's a very talented a developer, why don't we team up and do it together? And so that's actually where my membership story began and we did. And that it ultimately ended up becoming wishlist member, which went on to power tens of thousands of membership sites. And that's kind of where my background with memberships began. But long story short, it's never been easier today than it has been, uh, in the Ma in, uh, in our history, if you will. But here's the thing that I want everybody to realize. There are a lots of great solutions out there. Whether you want to, you know, host them yourself on like a wordpress blog or whether you want a hosted solution so you don't have to worry about the tech.

Speaker 1: [35:27](#) There are many great options, but it really should never come down to the technology because if you ask yourself, how can I keep this simple? You can have a very simple membership site, even without all of the technology, like there's um, oh gosh, her name is slipping my mind right now and I'll have to, if I remember it, I'll, I'll give you her specific name. But I do remember what she did. And that was that she lost her membership site without a members area. She just delivered everything via email. So she's like, look, I can get tripped up and hold back and, and uh, and weighed on trying to get everything perfect or I could just get going now and do the best with what I have available to me right now. And that's exactly what she did. So when she launched her membership site, she had hundreds and hundreds of members.

Speaker 1: [36:15](#) Part of our membership and the way that she delivered her deliverables every week was via email. So she didn't even have a member's area. And so there are many ways

that you can do this to keep this very, very simple. And streamlined, especially in the beginning. And I recommend you do that because keeping it streamlined in the beginning, you know, eliminates a ton of, you know, things to worry about and things to think about and most importantly gets you into motion. And most importantly, gets you serving your members because you're going to learn so much more by serving your members than you ever will, trying to plan a perfect membership. And then from there you can always add to it, tweak to it, and, and improve the membership experience. And the good news is that when you start in a streamlined way, every time you do add something to the membership or you do improve the experience, it's an awesome marketing opportunity to go back to your members and say, you know what?

Speaker 1: [37:09](#) The membership just keeps on getting better. Look at this change we've made and look at that change we've made. And it's an awesome opportunity to show your members like, we're in this for the long haul. We care about the experience that we're creating and we want to continue to make it better and better and better. So from that standpoint, my advice is always keep it very simple and no matter where you are in terms of your abilities from a tech perspective, there absolutely are options to keep it ultra simple and to keep it and to keep things moving forward.

Speaker 4: [37:39](#) Perfect advice. And I think the same thing. Think you would agree with this. The same thing applies to thinking through the possibilities of whether people will pay for what you have to offer. I know two gentlemen who don't know each other, but they both sell sermons or sermon outlines for preachers who need help with getting their sermons together each month and they will have a membership and one makes, I think he's in excess of \$20,000 a month now. Wow. And another one doesn't make hardly any money at all. And he was complaining to me earlier this week, he said, there's these preachers don't have any money. They won't spend any money. And I'm thinking, well that's not true. You're not keeping them happy. You're not giving them what they, what they need, what they want. You're not tuned into what they are asking for. And the other gentlemen who's, I don't have his permission to share his story, but you actually know who I'm talking about, I think. Okay,

Speaker 1: [38:28](#) well I do. Are you talking about Paul Evans? Yes. Okay. So Paul Evans Story's amazing because Paul runs a site called teen life ministries. And you know when he started that way, this is the interesting part, when he started that he provided a ton of stuff. He provided all kinds of articles and how to tutorials and they had a community and all

kinds of things. But he asked him, he surveyed his members and asked them a very interesting question. He said, of all the things that we provide in the inside of our membership, what's the one thing that you could not live without? Hmm. And what was interesting was the feedback that he got, the overwhelming majority, like overwhelming majority of people said you can get rid of everything except this one thing. And this one thing for him was a simple PowerPoint presentation for those youth ministers.

Speaker 1: [39:24](#) Because at the end of the day, like most of the youth ministers, the, it's a part time gig. And so they still have a full time job and then they're doing the ministry on the weekend. And so they just didn't have the time to prepare a proper sermon. And so for them the greatest value was the PowerPoint presentation that they could download, make a few changes, and now they're ready to go on Sunday. And so he stripped everything out like 75% of everything that he was providing inside of his membership. He stripped out because the members weren't using it, they didn't care. And the crazy part was he cut down as workload dramatically. And yet all the members stayed because they weren't there for all that other stuff. They were there for that one deliverable, which was the weekly sermon. So it's a great example, as you said, read that. It's all about positioning and really understanding why people are there and then really doubling down on that.

Speaker 4: [40:13](#) And sometimes we set up these false beliefs about people that stand in our way. Like my other friend who says these pastors don't have any money. Well, I'll tell you who has less money than the pastor. The youth minister, usually a volunteer position. And yet there you have a very successful membership site serving people that you might think have no money. So I think it's important not to ever presume people don't have money. What, what kinds of like monthly membership fees do you see? How big of a range do you see and what people are charging for monthly memberships?

Speaker 1: [40:45](#) It's a great question. It really depends, ray, on, you know, the positioning of the membership site and there's really two types of positioning. Positioning. Number one is it's a front end membership, meaning like this is a membership site that's open to the general public. This is where you dry, you know, you drive people to join the membership site directly. That's one positioning as a front end. The second positioning would be as a backend product, and this really usually happens for particularly like course creators where somebody will come through a course and inevitably, I'm sure your listeners have experienced this. If they've got the course, I know you have, right?

Somebody comes to the end of your course and they start asking questions like, well, wait a minute. Uh, what's going to happen to this whole thing? Like are we still going to be able to stay in contact?

Speaker 1: [41:30](#)

Like am I still going to be able to get support like ar? Is the community still gonna stay in tackling what, what's going to happen now? And the reason that people start asking those questions is because they've been in like this love bubble during the course experience and now they're starting to panic. Like, oh my goodness. Like now I'm kind of being pushed out of the nest and I got to fly by myself here. And so they want the comfort of knowing that there's going to be ongoing support and that's where a back end membership really comes into play. So the price points vary based on whether it's a front end or a back end. Typically for front end, I've seen as low as \$5 a month. And typically I would say the higher price points for front end membership would go up to a roughly around a hundred dollars a month. And again, this, that range varies based on the market and who you serve and the outcome that end, the transformation that you're helping create on the back end. However, the price points generally tend to be a lot higher. Like we're talking on the low end, \$100 a month and up the high end 500 even a thousand dollars a month. And so it all is about positioning. Front end is usually lower dollar amount back and is usually a higher dollar amount.

Speaker 4: [42:36](#)

Fascinating. So here's what I, here's what I hear. I hear lots of exciting stories, lots of hope, lots of logic, lots of proof that it works that you can probably build a membership on based on just about anything you know or love or enjoy can teach other people. It also sounds like it's a little complicated to think through unless maybe somebody who's offering a workshop that could help you walk through all this stuff.

Speaker 1: [43:03](#)

Well, listen, I love helping people get clarity around how to make this work for your business. Because I love, uh, we love and eat up the stories of our people in our tribe. Because as I said for us, this is all about helping people. You as business owners get results because that's what our business thrives on. So I can share all these stories and these are all real world people because they've got real results and this is what lights us up. And every year we host a free workshop and the whole free workshop is dedicated to again outlining exactly how to launch, grow and scale a profitable membership. And it's three parts. The first part we go deep on assessing your market. So it's good to know whether your market would be a good fit for a membership before you pour a bunch of energy into it.

- Speaker 1: [43:54](#) And so part one of the workshop, it helps you basically decide and decipher whether your market is a good fit. There's a series of questions that we would ask and walk you through and you'll get a score on based on that, you'll have a clear indicator of whether to move forward or not. Part two of the workshop is we go deeper on terms of what should you provide inside the membership and there is one thing that you absolutely must provide, no matter what type of membership site you have. If you are missing this, you are going to struggle when you have it. It will drive your content strategy, it'll drive your marketing and it absolutely will drive your retention strategy. We talk about what that is and how to create it in part two of the workshop and in part three of the workshop we kind of just pull back the curtain and we show you the five areas of a successful membership.
- Speaker 1: [44:41](#) We give you our membership blueprint. It's like a um, a mine map that goes into granular detail about the five areas. In fact, we had SMB a few years ago who join us for the free workshop, downloaded the membership blueprint, launched a membership site from issues from uh, Africa, launched a membership site based on what she learned in the free workshop and that membership blueprint. And that's all part of it as well. But bottom line is we do this one time a year and we are all in all hands on deck. I'm available to answer questions. We do Facebook lives and we facilitate this whole workshop experience and it's all free. And it starts April 25th.
- Speaker 4: [45:17](#) So from the time this episode publishes, which is going to be on Monday, the 22nd of April, you've got just three days. You don't have to wait very long in three days. The workshop's going to start and it's,
- Speaker 1: [45:31](#) it's going to be fun. And we're going to share so many examples, like we literally have hundreds and hundreds of examples of people in all kinds of different markets. You'll hear from people like Leslie Vernick lastly has an amazing membership site helping Christian women who are in broken marriages. And so just think about like, you know, the, the ripple effect that she's having in this world. Or you'll hear from people like Dana Abraham and Dana has got a membership site, again, serving, uh, parents who have challenging children. And I just think about the ripple effect that she's having or you'll hear about, uh, Levi could Jula who, who's got a membership side that was doing pretty well when he first started. Oh, when he first came to us, I was doing about \$30,000 a month. But this is the amazing part is like what we are going to share are the counterintuitive strategies that have big results.

Speaker 1: [46:19](#) And as it relates to Levi, like he went from 30,000 a month, the next month to 52 and 74 in over a hundred thousand dollars a month. Now he has over 6,000 plus members in the guitar market. And I just love Levi story too because it's not just about the guitar. Like he specifically his guitar lessons are for vets. And so he's hosting these, um, you know, in person jam sessions and it's just amazing to see how he's cultivated community. You'll hear it from you know Scott digital or a Scott Paley story who had partnered with, I'm Joan Garry and they launched a membership site for nonprofit leaders and they in one year grew it from zero to over 2,500 paying members. You'll hear from people like Anna [inaudible] who is a great one to teacher, taught grade one, two for 20 years and accumulated this wealth of resources and she used to sell them one off and then started selling them inside of a membership and within a, again, a 12 to 18 month period has grown that to thousands and thousands of members.

Speaker 1: [47:21](#) I multimillion dollar a year business all from lesson plans for grade one, two teachers. You'll hear from Christie who who launched a membership site teaching people how to paint. You'll hear from Matt Tomi again, he's an artist as well. He specifically helps a Christian artists. You'll hear from Jamie Swanson photographer. You'll hear from Andrew Kraus who's in the real estate market over in Australia. You're hear from Lisa Corduff who had a blog and she just, she loved this blog and she was kind of had a crossroads because she was getting toward the end of our maternity leave and she didn't want to go back to her corporate job. So she's like, you know, I, I want to spend more time with my kids. So she launched a membership site and it took off and it's again helping families, uh, with uh, healthy eating and it's just, there's so many great stories, so many great examples and we just pour so much into the free workshop and I just hope that, uh, everybody comes and joins us cause it's gonna be a lot of fun. You know what I

Speaker 4: [48:16](#) tell people about stories like the ones you're sharing is if you have, I'm a copywriter, I help people write copy that sells their stuff. And I tell people, if you have enough stories of success and you really are helping people, we can just use those. And I don't have to write up a lot of copy and what you do. One of the things I love about what you do is you don't have to do a lot of fancy footwork to convince people that you know what you're talking about. You can just tell story after story and their new ones, they're not like 10 years old. They're happening. Even as we speak. I know people are building new memberships right now based on stuff that they've learned in your free training just like we're going to have this week. So I'm super excited about it.

Speaker 1: [48:49](#) Yeah, absolutely. And this is, you know, I always say it in business re the most powerful marketing asset you can have are the stories of your clients and customers and the results that they have gotten. So this is why we invest heavily into just helping people get results. And we literally in the last year like this, uh, we, we spent a lot of money really, uh, upleveling the experience that we provide people and it produced incredible results. We're talking hundreds and hundreds of success stories, so much so that we used to fly a video like our video team to go and capture these stories. We got so many now that we just, we didn't have the bandwidth to be able to do it. So we started up a whole new podcast called, it's a tribe thing, and every single week, every week we're sharing stories of people who are launching their membership sites in all kinds of different markets. And so you hit the nail on the head, Ray, like I, this isn't about me. This isn't about tribe. This isn't about any of that stuff. It's about helping real people, business owners get more predictable and stable results with membership sites. And that is what lights me up because it's not about the money, it's about what the money makes possible. And so, yeah, I just encourage everybody to come join us to see what's possible for you and for your membership and a to find out exactly how you can do it for yourself.

Speaker 4: [50:10](#) We'll have a link for you in the show notes where you can be part of the free workshop. And I'm going to be part of it too, so we can do it together. In fact, I'll tell you right now, you can go to Ray edwards.com forward slash tribe and that'll get you to the free workshop. He's going to be inspiring. I mean, I'm excited about it because I want to work out the rest of this coffee shop. Then I've got some other ideas I've had while we've been talking. It's just so exciting to me. Now you said something I want to, I want to touch on just a moment. You said it's not just about the money and I know that's true, but you said it's about what the money enables you to do, empowers you to do and you and your wife do something really special that I want to just give a mention too because I think it's really important thing that you're doing in the world. Would you talk a little bit about world teacher aid?

Speaker 1: [50:49](#) Yeah. Well thanks ray. I, yeah, for me, um, when I say it's not about the money, it's, it's what the money makes possible is because it's near and dear to my heart. My wife and I have our own nonprofit. Um, it used to be called world teacher aid. Now it's called a village impact. And essentially what we do is we help build schools over in Kenya. And this, this just started as a, an idea, a moment of inspiration. Uh, we were inspired and my wife, uh, has traveled to remote areas of developing countries and she just saw how far a dollar could go. And she inspired me, she said, looks to you like to give, but

you'll never really truly understand how far your money will go until you go and see the people that you're giving it to. And, and it was true. And so, you know, she took me on a trip and I saw it and I was like, okay, I get it.

Speaker 1:

[51:32](#)

Like, let's make this a thing. And so since, you know, we dedicate a big chunk of our life to a growing our nonprofit, we're a very grassroots organization. We don't have a huge team. There's literally like five of us. It's myself and my wife Amy, and we volunteer our time. We have Carrie who helps us run it. We have Phil who helps us on the web design. And then we have two, sorry, three Kenyans, uh, that's more than five, sorry, seven of us, seven of us. And we're a very grassroots organization. Um, but the whole part of it is that like 100% of every dollar that is contributed, it goes directly to the cause. And the way we do that is that our business, my business, it funds the Admin of the charity. So our goal is every year is to contribute, to be able to cover all the admin expenses.

Speaker 1:

[52:20](#)

So that 100% of every dollar goes towards the cause. And what lights me up about that ray, is this is what makes our business possible. You know, like, this is why we're in business because it's all about, it's not about the money, it's about what the money makes possible. And this is a great example where it funds the whole initiative, all the efforts. So that 100% of every dollar goes directly to the causes. And therefore we're building schools. We've now built 13 schools. We, uh, it would, that provides education for thousands and thousands of kids every single day. And there's nothing that I love more than making money. I used to have and feel guilty about making money. I had all kinds of limiting beliefs and um, you know, uh, I had all kinds of guilt wrapped up around that. But the moment that Amy took me to Africa, it transformed me.

Speaker 1:

[53:07](#)

And I realized in that moment that the more money I make, the more impact I can have. And so now I love making money. Like making money is one of the most honorable things that we can do as human beings because when you have the money, then you can allocate it to the people and causes that you're most about. So the more money you make, the more help and a contribution you can make to those people. And so I love making money. This is why I'm passionate about entrepreneurship. So I'm passionate about helping people with their membership sites because I believe it is the best model to enable us to be able to do those things. And so, uh, thank you for the time to talk about it because it is near and dear to my heart and it's certainly a big piece of our life, that's for sure.

Speaker 1: [53:48](#) It shows I think what kind of person you really are and I thought that was important to bring out and I know you're speaking to the hearts of listeners right now who have their own causes and things that they want to help support, but they're feeling financial pressure to even make ends meet. And I think that going to this workshop you're putting on this week, he's going to be a great way for them to get out of the financial pressure situation. You get into the situation where they can start supporting their dreams and helping other people contributing to causes and charities and helping out this advantage. Folks all over the world if they want or in their own city, if that's where their heart is. It's just, as you said so eloquently, it's not about the money. It's about what the money could have helped make possible.

Speaker 1: [54:23](#) Absolutely. And you know, and that's just it. Like, I believe there are three rings of contribution. You know, the first ring is with our close family and friends and we love, love, love contributing to our close family and friends. In fact, one of the things that we do is every year we do what we call a super surprise for somebody that we love. And there's a whole backstory behind that. But it is like we've essentially picks, you know, whether it's a family member or whether it's a close friend and we create an amazing, amazing memory of a lifetime experience for them. And it is like one of the greatest things that we get to do every year. But then there's the second ring of contribution. And I believe this is like in our community, whether it's our local community, whether it's our online community and, and contributing and giving back to people there.

Speaker 1: [55:02](#) And then there's like the world, and this is kind of where, you know, Amy and I, we fulfill that a ring of contribution with our nonprofit. But at the end of the day, it doesn't matter who you're contributing to, it's who you want to contribute to. But she can't do it if you don't have the financial resources. And so that's why at the end of the day, making money is a very honorable thing because it w you know, it just enables us to be able to serve and help more people. And even on the nonprofit side, if you gave me a choice of you contributing time or money, I would take money all day long because bottom line is you only have so much time, but money is an unlimited resource with a tremendous amount of leverage. And so, and I'm, I'm on both sides. I love giving money and I also as a nonprofit, love receiving it because of the leverage that it provides. I could not say it better myself. So here's what you need to do. You need to be part of this workshop this week. That's the bottom line. And there's a link in the show notes if you're driving or whatever, and you can't write it down right now, but it will be a ray at [inaudible] dot com slash tribe

Speaker 3: [56:05](#) and we're going to go through the workshop together. And I'm excited to do that with you folks and Stu, I know you're a busy guy right now. Thank you so much for taking the time to talk to us. You know what to do. Get signed up for the free workshop. Go to [inaudible] dot com slash tribe you turn what you already know, love and do into a successful membership business. You have recurring revenue in your business and life will be so much better, so much better. ravers.com for size tribe. There's links in the show notes. All the stuff we've talked about. My thanks to Stu McLaren and my thanks to you, my friends. Until next time, may God bless you and may you prosper wild.

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