The Freedom Business Models

By James Roche
What is a Freedom Strategy?

Quick test...What are your top values?

If you’re like most entrepreneurs, “freedom” is high on your list I bet. Our desire for freedom drives us to build successful businesses and inspires us to live a full life. We’re not content with the status quo. We’re restless in a cubical. We’re the ones our non-business friends think are a little crazy.

But what does freedom mean to you and how do you get it?

In working with thousands of entrepreneurs around the world, I’ve seen five common types of freedom show up again and again:

1. **Financial Freedom**: The freedom to make enough money to support our desired lifestyle...and then some.
2. **Freedom of Time**: The freedom to work when we want. We don’t want to be bound to anyone else’s schedules – especially a boss!
3. **Freedom of Location**: The freedom to move around as we like and not be bound to one location. Entrepreneurs thrive on creative stimulation. Travel stimulates us. We hate being trapped in a cubical – it kills our spark for innovation.
4. **Freedom from Complexity**: The freedom to have a business that produces high net profit without a lot of overhead or expensive staff. In other words, no drama! We want a smooth, lean running business that makes us money without unnecessary stress.
5. **Freedom for Self-Expression**: The freedom to do meaningful work we love. If we won the lottery tomorrow, we would still like to work on projects that excite us and impact others. Sitting on a beach doing nothing is fine...for a week or so. Then it gets boring. We get really restless if we can’t express our ideas and creativity in ways that add purpose to our life. Money is important to us, but it’s not the only bottom line. Personal self-expression and helping impact the world are also how we judge ROI.

The challenge a lot of entrepreneurs face is how to have these five freedoms in their life and business. Most entrepreneurs don’t have a long-term plan for achieving and sustaining their freedom. It’s easy to slip into short-term thinking and get bogged down in the day-to-day grind of running their business. Life gets busy because we’re focused on making more money, doing another launch, introducing a new program, rebranding, list building, etc.
All these efforts are good and necessary to grow a thriving business, but the mistake is jumping from one tactic or project to another without a real strategy for freedom.

It’s as if we know there is a golden treasure waiting for us and we grab the nearest shovel and start digging. If we don’t find gold, we randomly move somewhere else and try digging there. If we do find gold, it’s great at first, but then it runs out, circumstances change, and we’re forced to dig somewhere else.

In my 11 years working with clients from around the world, I have seen countless entrepreneurs trying to grow their business this way. They jump from one project to another – one of the latest and coolest marketing tactics to another. Sometimes it’s successful, sometimes not.

Success sometimes feels so random…but it doesn’t have to be.

The root cause of frustration and lack of long-term success is thinking tactically and not strategically.

A strategy is like a map. It shows you on one sheet of paper exactly where you’re most likely to find gold. A tactic is like your shovel, rope, and wheel barrel. They are the tools necessary to reach the gold…but they don’t tell you where the gold is.

If you only operate jumping from one business and marketing tactic to another, you’re gambling your freedom. It’s easy to burn out when you operate your business this way.

After working with so many entrepreneurs, I’ve identified three steps necessary to create a winning strategy that aligns your personal lifestyle desires with your business success.

**3 Steps to Create Your Freedom Strategy**

In order to attain freedom in your life and business, you need a full-spectrum strategy that clarifies for you:

1. What kind of business is right for you
2. The vision of your ideal lifestyle
3. How to design a meaningful business that makes you money
All three steps are necessary because you might have a clear vision of the lifestyle you want, but without the money to attain it, it’s just a dream. Or you might know how to make money, but be bored in your personal life.

**It’s only by integrating your inner vision with an outer business strategy that you can achieve real freedom.**

Let’s look at how to do exactly that…

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**Step 1: Choose The Right Type of Business for You**

I’ve seen this step be completely overlooked by many entrepreneurs…and it comes back to bite them later because the business type they chose doesn’t match the lifestyle they want.

The two types of businesses are:

1. **A company** where you are the CEO
2. **A small business** where you are a solo-preneur

It's best to be aware of the two types of businesses before you get trapped in a business you end up hating.

**Business Type #1: A Company**

This is a business that’s an organization, and it’s not just you running the show. While a company is designed to reach more people, it requires a high level of responsibility from the owner, which some might feel cuts into their sense of freedom.

For example, I’ve heard some say, “I want an empire!” They equate having an empire with making a lot of money, which it can. But what they often don't see is the day-to-day work necessary to start and grow a successful company. To do it well, you need a temperament that loves structure, systems, and staff – the polar opposite qualities of many creative entrepreneurs.
Here are the key elements necessary for building a company...

**Scalability**
There is no ceiling to how much money and impact a company can make because it’s scalable. You’ll start with a solid foundation of people, products, and procedures. As the company grows, you build on that foundation.

In order to do this, the owner or founder must get out of the way and let the company stand independently. If an innovative person founded a company, at some point he or she has to stand aside and let the MBA-types run the operations of the company. This is very hard for creative entrepreneurs to do. Usually, a board of directors has to kick the founder out to make room for unhindered scalability of the company.

Often I see visionary entrepreneurs who have built companies ending up resenting what they built because the company owns them. They aren’t free anymore to do what they want when they want.

On the other hand, I’ve seen certain personality types who are perfect for building companies because they thrive on leading an organization.

The question is, what type are you? Are you willing and able to release control of your business and hand it over to managers? Are you willing to forgo being a technician or practitioner of your craft and become a leader? If yes, then you might want to build a company. If no, you might prefer being a solo-preneur.

**Staff**
In order to scale, you need staff to do the work of providing value to customers and clients. And staff needs management, which means more staff.

On the plus side, you don’t have to do all the work, which frees you up. But on the other hand, the burden of responsibility to make payroll every month for all the staff is squarely on your shoulders, which may not be your idea of freedom.

If the idea of building an organization with layers of management and workers excites you, then you’re probably a good fit to build a company. But if you dread the idea, you might be better suited for solo-preneurship.
Systems
The only way a company can grow is with lots of systems. The majority of your energy and focus are devoted to creating and/or overseeing the building of systems and procedures. These include:

- An operations manual
- Hiring and firing
- Financial management (budgeting, payroll, etc.)
- Marketing and sales
- Customer service procedures
- Technology oversight
- Staff policies
- Etc.

In the beginning, you will have to wear many hats and do a lot of tasks, but as you become profitable and/or get funding, you'll hire specialized staff in these areas. As you grow, you move from getting your hands in the work as a technician, to becoming a manager of the staff, to eventually becoming a CEO and leader of the company.

When you build systems, you add to the assets of your company, which pays dividends later. System building requires discipline and a certain mindset.

Here again, it may or may not suit your temperament. Do you love building procedures? (Or can you bring on someone who does and follow what he or she builds?) If so, you might be made for building a company. If not, you'll feel trapped very quickly and start to resent your company.

Business Type #2: A Small Business

If building a company isn’t right for you, then being a solo-preneur might be perfect. This is someone who operates a smaller scale business where you control everything. Examples include: freelancers, coaches, consultants, healers, authors, thought-leaders, etc.

Scalability
The small business is limited in how big it can get. The sky’s not the limit because the owner and maybe a few supporting vendors do all the work. You are inherently limited by the hours in a day.
**Staff**

A small business that’s not looking to scale beyond a certain level doesn’t need a lot of staff to operate. You may still have a handful of vendors to support you – for example a virtual assistant, a techie person, designers, writers, etc. You might pay more for these independent contractors vs. having them on staff, but you also won’t need to make payroll every month or deal with insurance and social security.

But you will have your hands in more areas of your business, which means you have to become skilled in more areas than just providing value for your clients and customers. A lot of your time will be spent learning new skills like copywriting, email management systems, basic WordPress, and all sorts of day-to-day technical issues that arise.

**Systems**

As a solo-preneur, you’ll still need systems to run an efficient business, but it won’t become an all-consuming factor of your daily work. You’ll be able to create systems the way you like vs. within a company where the systems and standards need to be done a certain way – especially if you plan on selling the company.

**A Third Option: Partnerships**

There is another option that might be an excellent fit for what you want… Partnerships.

A blunt way of saying this is…get a job.

…but not any type of job. You can be strategic with the kind of job you get, so you remain an independent contractor.

The advantage of a partnership is you spend the majority of your work time doing what you love. The company you partner with does all the work you may not want to do – marketing, sales, staff, customer service, financials, etc.

The disadvantage is you don’t own the asset of the business, which means you don’t own the client list or the brand. Also, you’re beholden to your partner/employer.
Partnerships can be a great boost when establishing yourself in your field because you’ll get immediate income and start to establish your voice in your industry. You can begin to make important connections with other industry leaders, vendors, and clients. One day, you may decide to go independent and start your own small business, but now you have a Rolodex.

If this is an option you’re interested in, look to the existing industry leaders and build a relationship with them. There’s a chance they need someone like you to come on board in a leadership role where it’s a win-win scenario.

## Choosing the Right Path for You

Let’s look at some numbers to put choosing the right business type for you into perspective…

If you’re a coach, consultant, healer, or freelancer, it’s possible to make about $150,000 a year working mainly one-on-one with clients. This can be done with one or two virtual assistants to help with customer service and basic tech—minimal expenses to you, which means you get to keep the majority of that $150,000.

If you add in group programs, online products, books, and/or live events, you can grow a small business to around $500,000 a year while only adding a few more vendors to help (more virtual assistants, project managers, and, as needed, designers, writers, and social media experts.) Again, you’ll keep most of the money, but you’ll work less one-on-one with clients because you’ll be more involved marketing your business and creating programs.

If you build your business well (see step 3 in this special report), you can maintain this annual income for years and decades to come. The only catch is the income in the small business types is always dependent on you. It’s not scalable.

But you control everything. You can re-invent yourself quickly. You can pivot fast. If you’re not location-dependent for your business to run, you can also work from anywhere in the world.

You might start with a small business and reach around $500,000 a year where you keep most of the money and decide to shift into building a company. This is fine and doable if you have the right temperament. But realize that often you’ll limit your take-home money for a few years as you reinvest most of your profits back into the company’s growth so you can scale up and staff up.
But eventually, you’ll pass a threshold where your profit grows and grows, so you can take more and more home every year. It varies how and when, but I’ve seen it happen for most companies around the $3 to $5 million a year level. This means for that time as you reach those numbers, you’re working hard building out your systems and sacrificing your personal income.

Another big issue to consider is what constitutes meaningful work for you. The clients I’ve had who went on to build companies were clearly made for that destiny. They are natural leaders and love building systems. This gives them meaning. But the clients I’ve worked with who get meaning from creating new programs and working with clients end up not enjoying building a company. You have to decide what meaningful work means to you and choose a business type that’s right for you.
Step 2: Get Clear on Your Personal Lifestyle Vision

The second step in creating a great freedom strategy is to knowing your destination. Here’s a simple but powerful exercise that’s excellent at clarifying what’s most important to you and seeing the lifestyle you desire.

(You can also watch this short video where I walk you through this exercise…)

It’s one simple question…This might be the single most life-changing question you can ask yourself.

If there were no limitation or consequences, what would your perfect average day look like?

Don’t put any restrictions or walls around your mind. Don’t edit. Allow your mind to be flooded with images.
Imagine your perfect average day – this isn’t a special holiday. It’s a day you would be delighted to live over and over again.

Remember the movie “Groundhog Day” with Bill Murray? He had to live the same day over and over again and in doing so, went through a deep personal transformation. Towards the end, he understood what was important, what made a difference, and what added meaning to his life. That’s how you want to think about your perfect average day.

To help you visualize this day, here are some specific questions:

- When you wake up, what do you see out the window?
- Who is with you?
- What colors do you see?
- What do you feel?
- As you go through the first half of your day, what activities do you do? Why are they important to you? Be specific.
- Look at the middle of your day. Where are you having lunch?
- Who’s with you?
- What do you talk about?
- What’s the environment around?
- What do you feel?
- Throughout the rest of the day, what kinds of conversations do you have? What are the topics?
- Moving into the evening, what do you see yourself doing?
- Who’s with you?
- What do you feel?
- What things are you doing?
- As you round out the day, what do you see yourself doing?
- How do you close out your day?

Let all these pictures and feelings flood your mind. Let them grow and develop over the next 24 hours. This is a very accurate picture of what’s really important to you – your North Star.

Now that you have a sense of how you would love to experience a typical day in your life, you can start to design your business to match and support your vision.
Step 3: Craft a Winning Business Model

Once you know what type of business you want to create and what you envision as your perfect average day, next is designing a business that gives you the lifestyle you desire.

It’s here that the trap of thinking tactics over strategy can cost you a lot of wasted time and energy. For example, one very common mistake entrepreneurs make is seeing someone else have success with a business model and think it’s easy to duplicate the same success in their business.

But a business model has nine moving parts, as we’ll see. If any one of those elements is different in your business or market, then you can’t rubber stamp the same model you see others doing into your business.

For example, a proven successful business model for some businesses is the high-ticket offer. Here’s how it works:

1. Send cold, Facebook ad traffic to an opt-in page for a webinar.
2. In the webinar, don’t make a pitch for a product. Rather, “sell” the prospect into a Discovery Session (a sales call) via an application.
3. If the application is approved, schedule the call.
4. On the call, enroll the prospect into a high price point consulting/coaching service package – usually for over $2,500.

When the model works, it works extremely well. You might pay $400 in ad costs per sale, but for an offer over $2,500, it’s a no brainer.

But trying to do this model with a $300 offer might not work as well because you’ve spent $400 to get the sale – you’re down $100. (But maybe that’s okay with you because you later upsell the new buyer into a $5,000 offer. It depends on your business model.)

Also, this model tends to work well only if the value proposition is very specific and highly desired in your market--for example, when the promised ultimate result is a specific amount of money, leads, or clients.
The moment you veer away from a tangible, specific outcome and into a more general, “softer” transformational-type of result, the model tends not to work as well. It’s harder to get people to click on an ad that’s promising some vague, abstract transformation. It’s harder to get people to opt-in to a webinar if the topic isn’t an immediate pain point. It’s harder to sell a multi thousand-dollar offer if the market doesn’t see an ROI (whether financial or emotional).

So to assume that you can rubber stamp the success of the high-ticket model in your market with your business specifics is very risky and short-sighted. There are many variables:

- Who’s your target audience and what are they actually buying?
- How do they like to build trust with you?
- What triggers them to buy? What turns them off?
- How do they want to receive value?
- Is the expense necessary to make a sale and operate your business worth the effort?
- How much contact and “warming up” does a prospect need before they buy?
- What’s the menu of things you offer and how do you move new clients to buy more?

These are strategy questions that make all the difference, whether you see success or not. These are issues that can’t be swept under the rug in the hopes of simply copying what others are doing.

Luckily, there’s a wonderful way to map out your strategy before building your business and/or offer. If you’re already active and successful in your business, this map will indicate how to be more successful faster with less chance of error.

It’s called a Business Model Canvas and was developed by Swiss business theorist, Alex Osterwalder. It’s a one-page blueprint that allows you to see at a glance the lay of the land in your business. It’s your strategic map.

The idea is simple…

Print out the business model canvas and use small post-it notes in each of the nine sections to identify your business strategy. The beauty of this map is potential problems in your strategy will pop out now rather than later. Post-it notes can be moved or discarded easily and quickly vs. building a complex real-life version of your idea only to see its shortcomings too late.

Plus, a business model forces you to see and acknowledge your assumptions about your market, what they want, and how they want it. This gives you clarity about which ideas you need to test before building a time-consuming, expensive, real-life offer with the hopes it’ll work.

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I've adopted and adjusted Alex Osterwalder’s business model canvas (Under the Creative Commons Attribution-Share Alike 3.0 Unported License), along with inspiration from Ash Maurya’s book “Running Lean,” to match my personal experience working with clients.

In the next section, you'll find my version of the business model canvas. Print it out and jot down your strategy. Next, for each of the nine sections, ask yourself, “What am I assuming here?” Adjust your strategy as needed. Make notes of assumptions that need to be vetted before investing a lot of time and money in building out your idea.
**Target Audience**

In a word or two, who is your ideal client? Remember, this isn't set in stone and it’s here to help you anchor your ideas and test your assumptions, so just pick a group of people. For example, moms, C-Suite executives, solo-preneurs, job seekers, etc.

**Early Adapters**

Who is most likely to buy your value proposition the fastest and easiest? This will likely be the group you approach first because it should be easy to sell to them. (If you find it isn’t, something is off with your offer, your market, and/or the delivery of your offer. Good to know now vs. later!)

**Problem**

What are the top three burning problems of that target audience? What are the rocks in their shoes? Pick a problem and ask, “Why is that a problem?” Then ask again, “And why is that a problem?” Do this until you get to the root cause. Pick the top three problems only.

**Existing Alternatives**

How else can your target audience solve these problems? This might be to buy a competitor’s offer or to do nothing.

**Value Proposition**

What is it that makes you different and worth buying from? What is the secret sauce that you have that’s unique to you? What’s your diagnosis of the problems that this target audience has? Maybe it’s a method you’ve developed, a special tactic you specialize in, or a mechanism you’ve developed.

Sometimes a value proposition is obvious, but often, it takes some digging and testing before it becomes obvious. Put down what you think it is today on a Post-it note. Just seeing it on paper gives you a gut check if it feels right or not.

Often a good value proposition is related to the mission of your business – or your life. If you’ve developed a philosophy that’s given you results, it’s often the value you can provide others.
It’s Like...
This is another way of looking at the value you provide. It’s only for your purpose and not a public marketing message. Using an analogy or an example can simplify your understanding of the value you provide. This technique is used in Hollywood to pitch new movies. When the creators of the movie “Alien” wanted to get backing, they pitched the movie as, “It’s like ‘Jaws’ in space.” That summarizes it very clearly.

Think of your value proposition as a high-level pitch, analogy, or metaphor.

Competitive Advantage
What makes you hard to imitate? This one might not be apparent at first, but you should be aware of this as a key element to fill in later as you grow your business. Think of your idea and/or business as a moat around a castle. What makes it hard for others to access the center of your castle – to copy you?

In a traditional business, this might be a patent. For solo-preneurs, it might be you – your unique, one-of-a-kind talent. Or it might be the synergy and dynamics of a unique community you build. While others can build communities, they won’t have the same mixture of people along with your leadership that you’ve developed. This makes it less likely for someone in your community to switch over to some other group.

Solution
This is related to the “Problem” box. What are your special and specific solutions to the problems of your target audience? These solutions become features of your offer – the way you solve the problems in your deliverables.

For example, if you are offering a fitness program that helps women lose weight, the problem is not enough time for workouts. Your solution is a condensed form of exercise that only takes 20 minutes a day. And this becomes a key feature of your program – a series of seven 20-minute workouts on video that are easy to follow.

Revenue Streams
What are the specific offers you will provide? List your programs and/or offers and their unit prices.
Customer Relationships

Think about your customer relationship in three touch points: marketing, sales, and delivery.

First, how will you initially find new, potential clients? In the short term, it might be as simple as reaching out to your personal contacts via email and direct phone calls. As you grow, you’ll of course add to the ways for people to find you including ads, affiliate marketing, and/or content marketing (blogging, social media, etc.)

Next, how will you make a sale? Is it done one-on-one in person or over a website?

Finally, how will you deliver your product or service? Over the phone, online, in-person, etc.?

Avenues

How will you deliver the value of your offers? What channels will you use? For example, if you offer a service, do you deliver value via in-person sessions, phone sessions, and/or virtual group sessions? If you have a physical product, do you deliver value via a storefront, via Amazon, etc.?

Cost Structure

What are the expenses necessary to run your business? Think high level. For example: technology (web hosting, email management systems, etc.), vendors/staff, cost of goods, storage and delivery of products, etc.

Key Metrics

What are the key activities that you have to do? Keep these simple. Don’t make a list of 20 things here. Write two or three main things you need to do within your business and how you will measure them.

For example: Work with X clients, send a weekly newsletter, blog weekly, do X sales calls monthly, etc.
Test Your Assumptions

Once you’ve put your post-in notes on your business model canvas, ask what assumptions you’re making for each of the nine boxes. This is a crucial step. Try to be as objective as possible. If you’re trying to convince yourself your assumptions are 100% right, it might come back to haunt you later.

The only real test is when your idea and offer is out in the real world and people respond by handing you their credit card or not. But you can make educated guesses about your strategy now because you see the whole picture on one piece of paper.

Next, test your assumptions in the real world. I suggest you do this as fast and easily as possible. In other words, try not to build out your website as a test because that takes a lot of time and money. A better strategy would be to reach out to past clients, colleagues, and your contact list and try to sell your offer directly to them via a phone call. It costs nothing, and you can see results in less than a week. This will tell you if you’re even in the right ballpark or not before investing more time in money. If it’s a green light, scale up and build out your beta offer.

You can also test your assumptions by conducting a handful of interviews with past and/or potential buyers. When I help my clients do this, the results are always eye opening. The clarity you’ll get is priceless. And it costs nothing – only a little of your time.
Bringing It All Together

When you’re in the right type of business and align your personal lifestyle vision with a success business model, you attain freedom.

But there are a lot of moving parts, as you see. The business model in particular requires a lot of thought and experience to create a winning strategy.

This is where I can support you.

I’m a business and marketing strategist with over 10 years experience working with clients from around the world. I work one-on-one with a select number of clients and lead group programs.

I can help you…

- Find new clients and customers
- Build your email list
- Uncover your value proposition
- Determine your best revenue streams
- Cut costs
- Plan your program launches
- Design your sales funnel
- Create new products and programs
- Remain authentic to your brand while reaching more people
- Clarify your ideal client
- Improve your copy for higher conversion
- Design your offers
- Make sales authentically
- Fine-tune your marketing message
- And much more

To learn more about how to work with me, click here: http://jamesrochestrategy.com/services/